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Key Developments

Lebed Not To Run for Duma Defense Committee Chair

LD0401120396 Moscow INTERFAX in English 1028 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 4 (INTERFAX) — Leader of the Congress of Russian Communities (CRC) [KRO] General Aleksandr Lebed will not run for the post of chairman of the Russian Duma Defense Committee, Lebed told INTERFAX on Thursday [4 January].

"It was senseless even to think about this post" because of the lineup of forces in parliament, he said.

"The large factions will struggle for posts in parliament, but I have come to the Duma only with five CRC deputies elected in single-mandate constituencies," said Lebed. "I shall not propose my candidature for the chairmanship, as it would mean begging and waiving my principles."

"There are enough deputies in the new parliament who could occupy the post," added Lebed.

A CRC spokesman has said that the generals Eduard Vorobyov and Boris Gromov could be defense chairmen.

Two Moscow Government Members Refuse Seats in New Duma

LD0301210096 Moscow INTERFAX in English 1850 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — First deputy head of the Moscow government Vladimir Resin, elected to the Russian State Duma deputy on the Our Home Is Russia (NDR) ticket, told INTERFAX in Moscow Wednesday evening that he has refused the Duma seat.

Resin sent a telegram in this respect earlier today to Central Electoral Commission Chairman Nikolay Ryabov and NDR bloc leader Russian Prime Minister Viktor Chernomyrdin, he said.

In the telegram, Resin says that he will continue working in the Moscow government and asks for his Duma seat to be passed to the next candidate on the NDR federal list, as required by law.

Another member of the Moscow government, head of the North East Moscow district Vladimir Sister, who was also elected on the NDR ticket, has made a similar decision, said Resin.

Moscow's Duma Voting Results Detailed

MK0401120996 Moscow KURANTY in Russian 29 Dec 95 p 2

[Report by Anatoliy Pankov: "You Solicited Our Votes?...."]

[FBIS Translated Text] Precise — that is to say, official — results of the State Duma elections have not been announced yet, but we can report the "final preliminary" results of voting in 15 Moscow city constituencies on party lists [in percentages]:

1. "Russia Is Our Home"	19.1
2. "Yabloko"	14.9
3. CPRF	14.8
4. "Russia's Democratic Choice"	11.4
5. KRO	5.0
6. S. Fedorov's Party	4.5
7. "Forward, Russia!"	3.4
8. LDPR	2.5
9. "Women of Russia"	2.5
10. E. Pamfilova et al	1.9
11. S. Govorukhin's Bloc	1.9
12. "Kedr"	1.8
13. "Union of Labor"	1.7
14. V. Anpilov et al	1.2
15. A. Rutskoy's "Derzhava"	1.1
16. "My Fatherland"	0.9
17. "Common Cause"	0.9
18. I. Rybkin's Bloc	0.9
19. Beer Lovers	0.7
20. N. Ryzhkov's "Power...."	0.7
21. NR Party of Russia	0.6
22. "Dzhuna"	0.3
23. "NUR" Muslim Movement	0.3
24. "Peter I Cause"	0.3
25. Agrarian Party of Russia	0.3
26. G. Popov's "Social Democrats"	0.2
27. S. Shakhray's PRES	0.2

28. Christian Democratic Union	0.2
29. "Lawyers"	0.2
30. "For the Motherland!"	0.2
31. K. Borovoy's Party	0.2
32. "Stable Russia"	0.1
33. "People's Union"	0.1
34. Union of Building Caretakers	0.1
35. "Tikhonov and others"	0.1
36. "Transformation of Fatherland"	0.1
37. People of Russia Movement	0.1
38. "Independents' Bloc"	0.1

Those scoring under 0.1 percentage point are:

39. "Federal Democratic Movement"	
40. "In-Between Generation"	
41. "Nationalities Union"	
42. "Duma-96"	
43. Bloc "89"	

This is as far as the popularity rating in the capital goes. It shows very well everyone's worth.

You only look at the "achievements" of some very well-known and noisy blocs and wonder.... Is there really anything to wonder at? At political immaturity and the improvidence of the leaders? At their high expectations bordering on plain stupidity?

Analysis of the statistics leads to such conclusions: As before, Moscow sides with progressive changes. Slightly more than 31 percent voted for outspoken opponents of reform. More than 61 percent voted for advocates of the reform course. The 61 percent is of course split into so many party cells that it would be immodest to speak of success.

Of interest are the figures in various constituencies. For example, in the Orekhovo-Borisovo Constituency (No. 197), the NDR, KRO, S. Fedorov's Party and I. Khakamada's "Common Cause" scored the highest points (higher than Moscow's average). "Yabloko," the CPRF, and the "Democratic Choice of Russia" scored their lowest points there. At the same time, things are just the opposite in the Central Constituency: The blocs of Zyuganov, Gaydar, and Yavlinskiy won their highest points, while "Russia Is Our Home," the blocs of the "brothers" Fedorov, the LDPR, and "Women of Russia" got the lowest points.

Curiously, blocs scored their highest points in constituencies where their leader was running. This applies to I. Khakamada, B. Fedorov, V. Lysenko, K. Borovoy, P. Medvedev. It appears that the "Forward, Russia!" bloc snatched votes away from Gaydar's candidates in the Lyublinskiy Constituency where B. Fedorov was running and where they won their lowest points — 8.8 percent. Whereas their score (in the Central Constituency) is 16 percent. Let me add here that "Russia's Democratic Choice" has the greatest amplitude of fluctuation.

Such is the political score, which will lead to no good.

Commentary

First Maneuvers To Gain Duma Control Noted

964F0722A Moscow MOSKOVSKIYE NOVOSTI in Russian 24-31 Dec 95 No 87, pp 8-9

[Article by Lyudmila Telen: "Votes and Portfolios: The First Trades"]

[FBIS Translated Text]

The State Duma

It is three weeks until the first meeting of the new Duma. However, a division of the managerial chairs is already going on behind the scenes. Simultaneously the balance of forces is being verified, ideological dispositions are being evaluated, and alliances are being predicted. Everything is under development and everything is in motion; however, it is already possible to make some suppositions.

The Leftist Side

The followers of Marxism who were elected from the Communist Party and in single-seat districts will acquire about 45 percent of the seats in the State Duma. This figure in fact takes into account the CPRF [Communist Party of the Russian Federation] faction, deputies from the Agrarian Party, nominees of the bloc Power to the People and Communists—Working Russia. Among the 77 independents, that is, deputies nominated by the voters, another 10 lean towards the left-wingers. We will recall that in the departing Duma the Communist plus the Agrarian factions accounted for 24 percent. Plus, as a rule, they added 6-10 percent of the votes owing to sympathizers from factions of the Democratic Party, Women of Russia, and of Sergey Baburin's unregistered deputy association Russian Way. A total of up to 35 percent resulted.

Such an apportionment of forces made it possible for the left-wingers to convene a special meeting of the Duma, block a number of draft laws, and even initiate a vote of no confidence in the government. However, they could not completely put their general policy into effect—be this the resignation of the government or the collapse of the budget.

It is most likely that approximately the same situation will be maintained in the new Duma, despite the additional seats. To mobilize a majority, more so two-thirds of the votes, the left-wingers will have to look for partners in the ranks of other factions. (Although, of course, it will be easier for the left-wingers to get additional votes.) Temporary alliances on one or another specific question can unite the left-wingers with practically all of factions. But this collaboration will be exclusively short-term and contradictory.

As for the qualitative composition of the faction "of intellect, honor, and conscience," in comparison with the last Duma it changed in an unprincipled way. More than half the members of the faction were able to prolong their powers for a new term. The most striking change is the return of a number of "formers": Nikolay Ryzhkov, Yuriy Maslyukov, Yuriy Voronin, Valentin Varennikov, Sergey Manyakin, Albert Makashov.... Duma and party apparatchiks were also added to the faction. As before, the older generation predominates in the ranks of the left-wingers—more than one-third of those elected by the party list are over 50 years of age. And another 6.5 percent are over 60. The social section of the empowered defenders of the working people is interesting. Workers constitute less than 7 percent of the party list. There are significantly more small-scale managers of various kinds—from chiefs of depots to deputy chiefs of rayon administrations. One is struck by the wide representation of the pedagogical staffs of provincial VUZ's [higher educational institutions] (about 10 percent of the party list).

The "Falcons"

The LDPR [Liberal Democratic Party of Russia], while having noisily opposed the government, which did not simultaneously prevent it from being compliant, lost half the votes and approximately 10 seats in the Duma. On the other hand, its personal staff is being maintained at more than 90 percent and, as before, it will consist mainly of liberal-democratic functionaries. In the initial party list they constituted almost 70 percent and, in addition, one-third of them were deputy assistants. The political practice of the new faction, like the previous one, will rely directly on behind-the-scenes haggling. A firm ideological union with the Communists is not likely, and is impossible with the Yabloko and Russia Is Our Home factions.

The Liberals

Yabloko will become the third—and also oppositional—faction in the Duma (30 deputies by way of the party list plus 14 single-seat deputies). More than half its members received their mandates for the second time. This faction will become the natural center of attraction of all the democratic deputies. Siding with it formally or informally will be the single-seat deputies of Democratic Choice (9), the bloc of Boris Fedorov (3), Ella Pamfilova and Vladimir Lysenko, and also independents (15-17). It cannot be ruled out that Yabloko will turn out to be not only more influential than the LDPR (which is obvious), but possess greater numerical strength also.

The other day Sergey Yushenkov announced his intention to establish a democratic deputy group. However, it is hardly likely that it will be possible to bring it to 35 persons (in order for the group to be registered).

The liberal opposition has practically no full-fledged allies in the Duma. Coalitions with the "party in power" on specific questions are possible. Partnership with the left-wingers which, however, will concern details is not ruled out.

The Support Group

Russia Is Our Home is the only new and only pro-government movement, and, accordingly, it is this kind of faction. It has 45 party list deputies and also 20 single mandate deputies. It can be predicted that this faction will be joined by the Women of Russia winners in single-seat districts (3) and by the "Rybkinites" (3). It cannot be ruled out that the former members of the PRES [Party of Russian Unity and Accord] faction and the group New Regional Policy [Novaya regionalnaya politika] (at present more than 20 independent deputies) will reorient themselves toward the party in power. Thus, Our Home will be able to form a Duma faction that is second in numerical strength. However, its qualitative composition is in question today. It will be recalled that almost one-fourth of the party list bloc is comprised of administrators of various levels. Will they prefer parliamentary work to managerial chairs?

Another 30-40 deputies, part of the independents, and those who are elected from small parties represent the Duma reserve, the fight for which has already unfolded.

Red Redistribution?

What gave the left-wingers control over more than one-third of the Duma of the last convocation?

The Communists and the Agrarians got—or, more exactly, counted on getting—their man in the post of chairman of the Duma; this role was assigned to Agrarian Ivan Rybkin (it is another matter that Rybkin himself made changes to the planned scenario). Zyuganov's associates, in fact, controlled six of the leading parliamentary committees out of 23 by the end of the first Duma year. Among them are committees that are officially allotted to the Communists and Agrarians: Legislation (Vladimir Isakov), Security (Viktor Ilyukhin), Agrarian Questions (Aleksandr Nazarchuk, then Nikolay Kharitonov), Public Associations and Religious Organizations (Viktor Zorkaltsev). The Committees on Economic Policy (Sergey Glazyev—DPR [Democratic Party of Russia] faction) and Privatization (Sergey Burkov—the New Regional Policy group) also ended up pro-communist.

Remembering the significance of factions and groups as operational units, the Communist Party has already put forth the idea of creating an Agrarian group (35 persons) and has promised to delegate reliable comrades to it. This plan gives the Communists an opportunity for yet another "faction-group" voice in the establishment of parliamentary committees and a corresponding division of portfolios. Some of the leaders of the CPRF are proposing to earmark a third parliamentary group from its ranks.

It can be assumed that the Communists are the only ones who can realistically aspire to the post of speaker. It is unlikely that Ivan Rybkin will preserve it for himself. Much firmer Leninists are being named as candidates today, first and foremost Anatoliy Lukyanov and Gennadiy Seleznev.

It is probable that the Communists will try to retain the Security Committee with chairman Viktor Ilyukhin who won in Penza Oblast. Just as Viktor Zorkaltsev (number one on the middle Siberia regional list) can count on keeping a post on the Committee for Public Associations. Most likely, the Agrarian Affairs Committee will be given back again to the left-wingers without unnecessary debate—here the choice of chairman from the Agrarians is rather great: from Nikolay Kharitonov, the present manager of the committee, to Gennadiy Kulik, the former minister of agriculture of the RSFSR.

A big loss for the left-wingers was the downfall in the elections of Vladimir Isakov, who headed the Legislative Committee. It is not formally difficult to find another candidate for this post: There are enough trained lawyers on the party list. However, the "loss of quality," given the retention of this post by the Communists, is inevitable.

As for the new claims, the economic committees should attract the attention of the Communists; first and foremost, the Committee on Privatization (or now, Nationalization?). Prominent contemporary economists such as Nikolay Ryzhkov, ex-chairman of the Council of Ministers of the USSR, or Doctor of Sciences Igor Bratishchev, former head of the Rostov Institute Department of Railroad Transport Engineers, could turn out to be competitors. Rumors have already arisen about the possible aspirations of Yuriy Maslyukov, former chairman of the USSR Gosplan, for the post of chairman of the Economic Policy Committee. (We will recall that Sergey Glazyev, who played up to the Communists and ran on the Congress of Russian Communities list, did not get into the Duma.) Theoretically the Communists can nominate any of the Red directors for chairmen of the economic committees.

The Defense Committee will become a tasty morsel. It is unlikely that Sergey Yushenkov, its former chairman who was elected from a single-seat district, will retain this post. But the Communists have someone to offer as a replacement. For example, Valentin Varennikov. Or Albert Makashov. In the event of the implementation of a plan like this, we can speak with confidence of a fundamental change of this parliamentary policy. It is not out of place to recall that it was Yushenkov who was among the first to come out against the Chechen venture, against the callup of students into the Army, and against extending the term of service after the fact.

On the threshold of the presidential elections and in anticipation of nationalization of ORT [Russian Public Television], the Zyuganovites, without a doubt, will want to pick up the portfolio of Mikhail Poltoranin who has left his deputy mandate (Information Policy Committee). Incidentally, there is a record number of professional journalists on the original party list of the CPRF—from Valentin Chikin (federal part of the list), editor in chief of SOVETSKAYA ROSSIYA, to Melaniya Sosnina, a correspondent of the VESTNIK PRIKUMYA newspaper.

Competition

The LDPR controlled the Labor Committee and the Industrial Committee—chairmen Sergey Kalashnikov and Vladimir Gusev who, apparently, will aspire to these posts once again. The Falcons also directed the Committees on Natural Resources, Ecology, and the mythical Committee on Geopolitics, which will hardly be retained in the new Duma. It can be foreseen that the LDPR will announce a desire to direct international affairs for a while; however, it will be opposed by a broad coalition. This is precisely that rare case that could unite the Communists, and Yabloko, and Our Home.

As is known, Yabloko had two committees—Budget (under the chairmanship of Mikhail Zadornov) and International Affairs (under the chairmanship of Vladimir Lukin). It has to be supposed that the faction will do everything to retain these portfolios. Theoretically the situation could be changed by the departure of Vladimir Lukin, who is named on the list of aspirants to the post of minister of foreign affairs.

Leading a team of young professional economists in the Duma—Tatyana Yarygina, Oksana Dmitriyeva, Aleksey Melnikov, and Aleksey Mikhailov—Yabloko could under a favorable coincidence also count on other economic committees. Aleksey Mikhailov is named as one of the competitors for the post of chairman of the Economic Policy Committee. Incidentally, the now independent Nikolay Gonchar, also an aspirant for this chair, could get involved in the dispute between Mikhailov and Maslyukov.

As for the Russia Is Our Home bloc, it is difficult to speak of its claims to Duma positions. However, it can be assumed that Our Home, in turn, will want to control the economic committees. It is not ruled out that the NDR [Russia Is Our Home] will "inherit" from PRES and the New Regional Policy committees on affairs of the federation, nationalities, and the CIS. However, it is unlikely that it will content itself with this without a fight.

....Thus, the first trades in parliament have already started. We will have to wait for the first results.

ITAR-TASS Carries Press Review for 4 Jan

LD0401063096 Moscow ITAR-TASS in English 0622 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW January 4 (ITAR-TASS) — ROSSIYSKIYE VESTI on Chechnya's status.

The newspaper carries an interview with Chechen leader Doku Zavgayev, who pointed out that "the special status of the Chechen Republic poses no threat either to Russia's territorial integrity, its defences or the financial system".

Zavgayev said Chechnya will be able to establish direct economic and cultural contacts with both immediate neighbours and far-off foreign countries, and to open its missions there. Such missions are being prepared for inauguration in Almaty and Bishkek, he said.

ROSSIYSKAYA GAZETA on the rehabilitation of the economy and social welfare sector of Chechnya.

Analysing the state of affairs in this respect, Yefim Basin, First Deputy Chairman of the State Commission in charge of the rehabilitation of the economy and social welfare sector of the Chechen Republic, pointed out that the 1995 programme targets have been exceeded in every respect. He said nine times as many schools, twice as much housing, 50 percent more medical institutions have been built or repaired than was envisioned by the programme. In all, the government of the Russian Federation assigned 8,400,000 million roubles in 1995 from various sources of financing for the economic rehabilitation of Chechnya.

PRAVDA on lack of aggravations of the situation in Chechnya at the start of 1996.

The newspaper points out that the start of 1996, judging by reports by the military press centre in Chechnya, has been without aggravations of the situation, unlike that last January.

Analysts associate this with the success of the December elections and the evolution of the conflict between the Russian and Dudayev sides into an inter-Chechen dialogue. The military are more inclined to explain the lull by special precautionary measures.

IZVESTIYA on a risk of a Chernobyl-type disaster in Russia's hinterland.

"The Russian hinterland is threatened with a local Chernobyl-type disaster, or what is being concealed by the Defence ministry from the State Inspectorate for the Supervision of Nuclear and Radiation Safety" is the headline under which the newspaper runs an article by former officer, Colonel Aleksandr Kanygin, Chief of the Upper Volga Inspectorate of Russia's State Inspectorate for the Supervision of Nuclear and Radiation Safety.

Kanygin disagrees with the stipulation that as a result of Presidential Executive Order 350, signed on July 26, last year, the monitoring of the use of nuclear materials and radiactive waste in Defence Ministry subdivisions has been entrusted to the Ministry itself.

Kanygin has served in the Armed forces for more than 27 years and ended his military career with service in the capacity of the army's radiological, chemical and biological protection chief. He pointed out that military units have available thousands of ionizing radiation sources in the form of mobile and stationary chemical laboratories and dosimetric instrumentation. The attitude to them in the army is negligent.

"If they are lost, no one looks for them: they are simply written off. Now that army equipment and conventional arms are being sweepingly sold out, why should not one sell a nuclear source to his advantage or write it off if it is stolen.

The writer of the article is convinced of the need to reestablish strict civilian monitoring of the nuclear hazard posed by military units.

IZVESTIYA on the detention of singer Josif Kobzon at Tel Aviv airport by Israeli police on suspicion of connections with the Russian mafia.

Russian singer and businessman Iosif Kobzon, who flew into Israel to attend a friends' wedding, was detained by police and kept in custody at Ben Gurion airport for more than six hours until he was released on an instruction from Premier Shim'on Peres.

Kobzon was told that he was detained on suspicion of having links with the Russian mafia. Kobzon told Izvestiya in a telephone interview that he was going to file a suit agianst the Israeli authorities for moral damage.

KOMSOMOLSKAYA PRAVDA on telephone payment rates.

In an interview with the newspaper, Semen Rabovsky, Deputy General Director of the Moscow telephone communications joint-stock company, has confirmed that a procedure for the payment for the use of telephone will change. He said the owners of telephoe sets will have to pay per minite of telephone conversations.

Counters are being already installed at telephone exchanges since January 1, this year. The usual telephone charges are to be paid for 680 minutes of conversations a month (the current telephone rate is 12,000 roubles). Every extra minute will have to to be paid for according to bills that will be sent by mail.

One minute of telephome conversation is expected to cost about 25 roubles.

Statistics have it that about 40 percent of the population get through within the limit (680 minutes a month), another 40 percent have exceeded the mark and 20 percent turned out to be excessively talkative.

Intelligence Spokeswoman Comments on Poland's Oleksy

WS0301125896 Warsaw TRYBUNA in Polish
3 Jan 96 p 2

[Interview with Tatyana Samolis, spokeswoman of Russian Foreign Intelligence Service, by Krzysztof Pilawski; in Moscow on 2 January: "Spokeswoman of Foreign Intelligence Services for TRYBUNA; It Is All Trumped Up"]

[FBIS Translated Text] Participating at the press conference called by Alganov was Tatyana Samolis, spokeswoman of the Foreign Intelligence Service. She answered questions asked by TRYBUNA:

[Pilawski] What do you think of the thesis that says that the reason why the Russian intelligence provided Warsaw with materials that discredited Prime Minister Oleksy was that they wanted to cause a political crisis in Poland, which might have resulted in slowing the integration of our country with Western structures, first of all with NATO?

[Samolis] These are absurd assumptions. Elementary logic indicates that complicating the situation in Poland will speed up the process of entering NATO, because there will be yet another argument in favor of integration. This logic leads me to suppose that someone else wanted to complicate the situation in Poland to prove the necessity of Poland's integrating with NATO. Who? I would like to know this myself.

[Pilawski] You have known since July that the Polish special services were preparing the "Oleksy case." I am certain that you have been following the developments very carefully since that time. Can we expect more sensational news from you, such as the news announced by Alganov?

[Samojlis] It is hard to tell. Before the meeting on Mallorca none of us thought that such an issue might come up. Now it is possible to predict some developments in this situation, even though it seems to me that the emotions should gradually subside. This situation was trumped up to gain political advantage.

[Pilawski] However, if the "Oleksy" affair develops further, are you going to present new aces?

[Samojlis] There may be some proof, although Mr. Alganow explained a lot. We should not forget that our relations in the 1980's differed quite considerably from the current relations. There was a very braod flow of information between the parties as well as between the special services. This may sound unpleasant now, but this is what it looked like.

[Pilawski] What about the KGB regulation that banned officers from operating in socialist countries? Does this regulation still hold now that they have ceased to be socialist? Does your intelligence treat Poland just like it treats France or Germany?

[Samojlis] We look upon Poland just like any European state which may be of interest to us from the viewpoint of our national interests. We may become interested wherever there may be Russia's national interests, wherever these interests may disturb us.

Iran's Velayati for 'Strategic' Partnership With Russia

LD0301134596 Moscow ITAR-TASS in English
1338 GMT 3 Jan 96

[By Oleg Kuzmin]

[FBIS Transcribed Text] TEHRAN, January 3 (ITAR-TASS) — "Iran and Russia can be strategic partners. We look with optimism at the future of bilateral relations which can be called very good even now," Iranian Foreign Minister 'Ali Akbar Velayati said here on Wednesday.

Replying to ITAR-TASS at a news conference held in Tehran today, the Iranian minister said that a draft agreement on cooperation for the coming decade, which was approved on the results of a recent visit to Iran by a Russian delegation led by vice-premier Oleg Davydov, will be signed by the heads of the two states.

He pointed to the absence of "serious problems" in Iranian-Russian relations and in approaches of Moscow and Tehran to regional affairs.

Velayati expressed hope for settling the Karabakh and Tajik conflicts in the current year. He voiced support for continuing Iranian-Russian cooperation in settling these two problems politically, stressing that cooperation between Tehran and Moscow is a necessary factor for restoring peace and stability in Transcaucasia and Tajikistan.

Presidential Envoy To Meet Iraqi Leaders 3 Jan

LD0301210396 Moscow INTERFAX in English
1858 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — Russian presidential envoy and deputy foreign minister Viktor Posuvalyuk will meet with Iraqi leaders in Baghdad Wednesday evening to discuss bilateral relations and post-crisis settlement in the Gulf, first deputy head of the Russian Foreign Ministry Middle East Department Sergey Kirpichenko told INTERFAX.

He gave to understand that the meeting is connected with the U.N. Security Council's discussion of a report by the U.N. Commission for the Disarmament of Iraq headed by Rolf Ekeus, scheduled for mid-January.

The commission's recommendations will determine whether international sanctions against Iraq will be eased and eventually lifted.

However, Kirpichenko believes that certain progress in this respect can be achieved two months later, in March, when the Security Council discusses the next commission report.

The commission needs time to analyze all the recently revealed facts relating to the past Iraqi military programs, he said.

Moscow 'Very Bitter' Over Exclusion From Mideast Talks

MM0301144996 London AL-HAYAH in Arabic 3 Jan 96 pp 1, 6

[Report by Jalal al-Mashtah: "Russian Discontent at Damascus"]

[FBIS Translated Text] Moscow — Russian Deputy Foreign Minister Victor Posuvalyuk headed for Baghdad yesterday in a new endeavor to persuade the Iraqi leadership to accept [UN] Resolution 986 concerning selling Iraqi oil to buy food. The Russian official is expected to make a tour of other Arab capitals, the aim of which is to contain the negative effects resulting from Moscow's exclusion from any role in the Syrian-Israeli negotiations.

Informed diplomatic sources in Moscow have stressed to AL-HAYAH that the Kremlin is feeling "very bitter" about Russia's political exclusion from some important axes in the Middle East. The sources added that what has deepened this feeling among the Russians is the fact that the U.S. and Israeli sides "did not insist" on their exclusion from the Syrian-Israeli talks in Maryland. The sources said that "Damascus, which is brilliant at tactics, may have made a strategic mistake by putting all its eggs in one basket."

A source close to the Russian Foreign Ministry has stressed to AL-HAYAH that Moscow "does not see any hope" of Resolution 986 being amended in the manner Baghdad is seeking, and that Moscow believes that the Iraqis have to accept the current version of the resolution until "implementation mechanisms" are reviewed by the Security Council in six months. Russian experts stress that the Iraqis "placed themselves in a dilemma and embarrassed others" by concealing information that the UN special commission managed to uncover, especially after General Husayn Kamil's defection to Jordan. Baghdad must now work to win the confidence and support of parties that supported its demand for the implementation of Clause 22 of Resolution 687 concerning lifting the oil embargo in return for the full implementation of the points concerning the dismantling of Iraqi mass-destruction weapons.

Russia is already working to establish its positions in Iraqi markets in the post-sanctions period. It is concerned about attempts to "remove it" [izahatiha] through secret contacts between Baghdad and Washington, which the Russians stress have been held in third countries.

Despite Moscow's categorical denial of the reports of the transfer of military equipment to Iraq via Jordan, a well-informed expert has told AL-HAYAH that it is in the Kremlin's interests for the Russian arms in Iraq to stay "at least undamaged." He pointed out that Russia proceeds from a strategic view based on the premise that the sanctions imposed on Iraq are bound to be lifted one day, and if Iraq's weapons "are spoiled or almost spoiled," Baghdad could think about diversifying the sources of armament. But if these weapons can be maintained to a certain level, Iraq would not allocate huge budgets to purchasing arms from other quarters.

The expert said that the Russian Government maybe was not involved in exporting the arms, but it "will not bother" to investigate the matter to identity the quarters shipping them, whether from Russia or former Soviet republics or even from North Korea, which the expert said has "sophisticated mechanisms" for smuggling military equipment into regions banned under international resolutions from acquiring such equipment.

U.S. Firm To Buy Russian Rocket Engines

MM0401115596 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jan 96 p 2

[Report by Vyacheslav Belov: "Our Engines for U.S. Rockets"]

[FBIS Translated Text] Samara — In the final days of the outgoing year the leadership of the Samara "NK Engines" scientific and technical complex joint-stock company reported the results of tests on the NK-33 engine in the United States on the test benches of the U.S. firm "Aerojet." It was planned to use it for the U.S. "Atlas" and "Delta" launchers.

This engine was consigned to oblivion for over 20 years. When the program to land a Soviet cosmonaut on the Moon was canceled the order came from Moscow to destroy all existing NK-33 engines. N. Kuznetsov, general designer at the Samara design bureau, took a great risk and did not carry out that order.

Two engines were sent to the United States where they withstood all the very complex tests and received an "excellent" mark. U.S. specialists hope that the Samara engines, whose thrust is 150 tonnes, will open a new page in engine building and the development of Russian-U.S. cooperation. "Aerojet" plans to organize their production in the United States and in Russia within the framework of a licensing agreement.

Defense Committee Chief Opposes Sale

LD0301170296 Moscow INTERFAX in English 1558 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — The sale to the United States of a license for the production of the Russian RD-180 rocket engine designed by the Moscow region-based Energomash company may cause irreparable harm to Russia's defense capabilities, Viktor Glukhikh, head of the Russian State Committee for Defense Industries, told INTERFAX Wednesday.

He said that it is more profitable for Russia to sell the license for the production of the NK-33 engine designed by the Samara scientific center (SNTK) of the NK Engines joint-stock company set up about 25 years ago. Glukhikh believes that equipping new rockets designed in the United States under the Evolved Expendable Launch Vehicle program as well as the currently used Atlas and Delta boosters with NK-33 engines would increase the efficiency and safety of commercial launches.

In addition, the $200 million that could be paid for the license and about 70 engines would be used to finance the design by SNTK of promising NK-93 gas-turbine engines for Russian passenger and transport planes with wide fuselage, he said.

The winner of the tender for the supply of a liquid-fuel rocket engine for U.S. boosters, announced by the Lockheed Martin firm, will be known in January. Only the Russian SNTK and Energomash companies remain as contestants.

However, experts at the Russian Space Agency told INTERFAX earlier that RD-180 is likely to win the tender because it would provide funds to finance the production of the most modern Russian liquid-fuel rocket engine. In addition, a well-informed RSA official said that SNTK and its U.S. partner and intermediary Aerojet have already signed a contract which can be implemented whatever the results of the tender.

Yeltsin Aide Views Current Foreign Policy Priorities

MM0401113896 Moscow ROSSIYSKIYE VESTI in Russian 4 Jan 96 p 5

[Article by Russian Federation Presidential Aide Dmitriy Ryurikov: "Diplomatic Service Must Be Energetic in All Areas"]

[FBIS Translated Text] This year we can expect intense, far-reaching activity in the foreign policy sphere. Which area should be given precedence?

I think that we should not focus on any one area alone to the detriment of others. The diplomatic service must be energetic in all areas. Nonetheless I would single out certain areas.

Life itself suggests that particular attention will be devoted to Russia's relations with its immediate neighbors, the CIS states. A session of the Council of CIS Heads of State will be held 19 January in Moscow. This will undoubtedly be a very important event. I think that there will be serious talk at this session of further developing integration within the CIS, the problems of the Commonwealth, and the means of developing it as a whole. There will be major decisions on highly varied issues — peacekeeping, collective security, and further economic integration.

I hope that during the first half of the year it will be possible to make progress in settling armed conflicts within the CIS. At any rate the Russian authorities intend to do their utmost to promote that.

Another big event that lies in store for us is President Boris Yeltsin's planned visit to China. It follows fairly significant preparatory work. But there is now extra breathing space: The trip will take place in the spring, the final date has not yet been established, and therefore it is possible to make even more thorough and careful preparations for the visit. Cooperation, good-neighborliness, and friendship between the Russian and Chinese peoples will undoubtedly grow stronger during the upcoming talks.

The G-8 heads of state are scheduled to have a meeting in Moscow in April on nuclear safety issues.

Another G-8 meeting is due to take place in June. It is to be devoted to discussing traditional issues — the economy and world politics.

At the moment that constitutes the main program of presidential foreign policy activity. Needless to say, there will also be visits to Russia and meetings with state leaders, presidents, and prime ministers. The head of state is faced with intensive, multifaceted work just as he has been throughout the preceding years of his presidency.

A few days ago the Presidential Foreign Policy Council was set up. This new structure will help the president coordinate foreign policy.

What methods will our diplomatic service use to achieve our aims on the international arena? Contrary to some observers' predictions, we do not have the task of tightening up foreign policy. Nothing of the kind will occur. Everything depends on the development of events and on what is necessary to reliably defend Russian interests, and it is best to resolve existing foreign policy problems by diplomatic means. That has been the case and will continue to be the case in the future.

Yeltsin 1996 PRC Trip, Bilateral Relations Discussed

OW0301152296 Moscow Voice of Russia World Service in Mandarin 1300 GMT 26 Dec 95

["Talk" by station observer Krichevskiy; from the "Half an Hour With Wang Xiao" program]

[FBIS Translated Text] During a recent meeting between Russian Foreign Affairs Minister Kozyrev and a group of scholars on Oriental Studies, the minister said that China will be the first country President Yeltsin will visit in the coming new year. According to Beijing's diplomatic circles, China is preparing to welcome the Russian President in March. In this connection, station observer Krichevskiy writes:

President Yeltsin originally planned to visit China in November, but health reasons prevented him from making the trip. Nevertheless, the two countries have been making active preparations for the Russo-Chinese summit meeting, such as reviewing and revising documents and draft agreements. Although the Russian President has also received other invitations, he has decided that China will be the first country he will visit during the new year. This proves that Russia attaches first and foremost importance to Russo-Chinese relations. In fact, many things happening this year have already proved this point.

A casual look at the developments in any respect enables us to firmly believe that bilateral Russo-Chinese relations, which are mutually beneficial relations based on equality, have been developing very smoothly.

Observers have especially pointed out that viewpoints held by Moscow and Beijing on many international issues this year are closer than at any time in the past, and certain viewpoints are even identical. The two countries' stands toward the former Yugoslavia is the most conspicuous example. Russia's worries over NATO's eastward expansion have also had Beijing's understanding. The two countries have made noticeable progress on the border issue. In 1995, Russia and China signed an accord of cooperation in preserving the national border. During Yeltsin's visit to China, the two countries will sign another important accord. In addition to Russian and Chinese leaders, other signatories of the accord will include leaders of other neighboring countries, such as Kazahkstan, Kyrgyzstan, and Tajikistan. These countries also took part in this year's successful meeting to discuss issues about (?conducting military training activities) along border areas.

Now let us take a look at the two countries' cooperation in border trade. While this year's trade volume is not particularly eye-catching when compared with that of last year, we can clearly see that the two countries' trade relations have improved substantially and entered a new stage. We should point out, in particular, that the two countries have abolished barter trade and settlement of accounts through cash transfer [hua bo jie suan] and replaced it with payments in convertible foreign exchange.

Russo-Chinese cooperation in the energy sector has been very satisfactory. The two countries are working on a plan under which Russia will supply China with large quantities of petroleum produced in Siberia. Meanwhile, the two countries' military and technological cooperation has also reached a higher level. The accord signed in Moscow not long ago provides that cooperation in this respect will be expanded in a big way so that the Chinese People's Liberation Army can strengthen its defense capabilities. However, the two sides have also pointed out that stronger Russo-Chinese military ties will not constitute a threat to other countries in the Asia-Pacific region.

Without a doubt, the central topics of discussion during the Russo-Chinese talks in Beijing will concern expanding Russo-Chinese cooperation and coordinating the two countries' activities even more closely on the international arena, which of course will not be limited to the Asia-Pacific region. Closer Russo-Chinese cooperation will play an active part in maintaining a balance of military strength in the world and safeguarding universal security and stability.

When Kozyrev talked with the scholars of Oriental Studies, he said the significance of Yeltsin's forthcoming visit to China will go beyond the realm of Asia-Pacific region.

No Objections to Military Cooperation With PRC Forseen

LD0401101796 Moscow ITAR-TASS in English 0953 GMT 4 Jan 96

[By Andrey Varlamov and Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, January 4 (ITAR-TASS) — The Russo-Chinese military and military-technological cooperation "is developing and will be further promoted", but this will not upset the balance of forces in the Asia-Pacific region, ITAR-TASS was told today by a high-ranking Russian diplomat.

"We do not see anybody objecting to such cooperation between Russia and China or fearing it," ITAR-TASS was told today by Russian Deputy Foreign Minister Aleksandr Panov, who is responsible for Russia's Asia-Pacific policy.

"I have had consultations in Washington and the latter has expressed no apprehensions too, because the scope of this cooperation is not very big, not very dimensional, and we are fixing definite limits to it," the Russian diplomat noted.

"We don't want this cooperation to upset the balance of military forces in the region. We are not promoting cooperation in the domains that could harm our national interests. Moreover, all our international commitments are being observed. This cooperation is transparent," Panov stressed. He said that Russia had no apprehensions in this respect.

"We have delivered some Su-27 aircraft to China. Cooperation in this domain will be continued," the diplomat stated. However, he pointed out that these deliveries would not run into "hundreds of planes". "It was deemed normal for Taiwan to get hundreds of aircraft. And the delivery from Russia of twenty-four Su-27 aircraft to such a huge country as China is by no means a huge number," Panov noted.

"The military-technological cooperation between Russia and China will not lead to any changes in the military-political situation in the Asia-Pacific region," the high-ranking Russian diplomat stressed.

Taiwan's Bringing Nuclear Waste to Russia Denied

LD0401102696 Moscow ITAR-TASS in English 1019 GMT 4 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 4 (ITAR-TASS) — A spokesman for Russia's Atomic Energy Ministry denied reports that Taiwan was planning to bury low-level radioactive nuclear waste in Russian territory.

"No talks are underway and no contracts have been concluded," chief of the Ministry's information department Vitaliy Nasonov told TASS on Thursday.

Low-level radioactive nuclear waste is usually recycled on the spot, which is expedient on economic and ecological grounds, Nasonov added.

Taiwan is planning to send the first shipment of 2,500 to 5,000 barrels of its low-radiation waste this summer, reports had quoted a director of the state-run Taiwan Power Company as saying.

Taiwan dumps waste in an island off its southeast coast, but the site will be filled in less than two years.

Environmental groups oppose constructing new burial sites. This is why Taiwan considers dumping waste in the Marshall Islands and in China.

Panov: Fuel May Be Supplied to DPRK if Requested

LD0301133996 Moscow ITAR-TASS in English 1207 GMT 3 Jan 96

[By Andrey Varlamov and Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW, January 3 (ITAR-TASS) — The Russian Foreign Ministry is lacking information that a critical situation with the supply of food has developed in the Democratic People's Republic of Korea (DPRK), although the country does experience "certain difficulties" in this respect, Russian Deputy Foreign Minister Aleksandr Panov told ITAR-TASS on Wednesday.

The North Korean side has not applied to Russia for assistance so far, Panov said. However, he recalled, "we rendered one-off assistance by supplying food and basic necessities through the Ministry for Emergency Situations when floods hit North Korea. The DPRK currently receives relief supplies from the international community, including those from Japan".

"According to our data, the DPRK's food reserves are large enough," Panov said.

"If a critical situation develops there, and Pyongyang applies precisely to Russia for assistance, then we shall, of course, examine the request and decide on how to comply with it. Hypothetically, it is not necessarily the supply of food that may be contemplated but, say, the delivery of fuel," the Russian diplomat specified.

Aircraft Carrier From Far East To Be Scrapped in ROK

LD0401064096 Moscow ITAR-TASS in English 0631 GMT 4 Jan 96

[By Evgeniya Lents]

[FBIS Transcribed Text] VLADIVOSTOK January 4 (ITAR-TASS) — The second Russian decommissioned aircraft carrier with a displacement of 40,000 tonnes left its Russian base in the Far East on Thursday bound for South Korea where it is to be scrapped.

The headquarters of the Russian Pacific fleet told TASS the "Novorossijsk" carrier was being towed by the "Irbis" and "Nevelskiy" tugboats and is expected to arrive in South Korea on Saturday [6 January].

In October another Kiev-class sister ship, the "Minsk" aircraft carrier was towed to South Korea for scrap under a contract with the "Young Distribution Co." signed yet in 1994.

The implementation of the contract took a year because of an acute debate in Russia in which opponents of the deal said military construction secrets can be handed over together with the scrap.

It was then planned to scrap the carriers in Russia, however, in the final end the command of the Pacific fleet observed its obligations envisaged in the contract.

The "Minsk" was successfully towed to the scrapping facility close to the port of Pusan causing protests of ecologists who feared leaks of remaining fuel and environmental pollution during scrapping.

Fleet Denies Transfer of ROK Nuclear Waste Unit

LD0301145296 Moscow ITAR-TASS in English 1337 GMT 3 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 3 (ITAR-TASS) — The chief staff of the Russian navy refuted press reports on a transfer of a South Korean unit for utilising liquid radioactive waste to the Pacific Fleet.

ITAR-TASS learned Wednesday from Admiral Viktor Zakharov, head of the radiation, chemical and biological protection service of the Russian navy, that "such information is groundless".

According to the admiral, the Pacific Fleet put into operation a Russian-made unit to utilise liquid radioactive waste called "Sharya" last year. The Pacific Fleet does not threaten ecology of the high seas any more after commissioning this unit, and any talk about charity is irrelevant.

"Russia can independently tackle problems of utilising radioactive waste, but it will need appropriations to improve the Sharya installation for this purpose," Zakharov underlined.

"It should be a standardised unit and should be produced by Russian factories. This will obviate the question on spares and will exclude dependence of our industry," Zakharov added.

The admiral claimed that specialists from the Russian nuclear engineering industry started work on improving Sharya last year. They use accumulated technological experience and will prepare the unit for serial production.

"This process needs time and funds, but work is in progress and real prospects appeared to utilise completely toxic waste, inevitable in the nuclear power industry and in the navy," Zakharov concluded.

'Destabilization' Signs Worry Black Sea Fleet Command

MM0401115296 Moscow NTV Television in Russian 1900 GMT 20 Dec 95

[From the "Segodnya" program: Video report from Donuzlav base by Anna Konyukova and Viktor Sosnovskiy]

[FBIS Translated Text] [Konyukova over extensive footage of Donuzlav base facilities] Under the Sochi agreement the Donuzlav Black Sea Fleet base in Crimea is to be handed over to Ukraine no later than 1 January. This applies to the garrison, shore infrastructure, patrol and landing craft, helicopters, and amphibious aircraft.

In the light of this, an attempt by Ukrainian servicemen to plunder a food store a few days before the final handover of the whole base has caused puzzlement in the Black Sea Fleet command. Fortunately, there were no casualties on this occasion.

The Black Sea Fleet command believes that both Moscow and Kiev have lost control over the process of the division of the fleet. Afraid of repeated theft attempts and possible clashes, the command of the Crimean naval base unilaterally drew up a document on the handover of the seized facilities to the Ukrainian Navy. By decision of Feliks Gromov, commander in chief of the Russian Navy, the Russian side should not initiate any unilateral actions to change the status quo of the Black Sea Fleet unless the Ukrainian side takes steps toward destabilizing the situation.

Further evidence of destabilization was the Ukrainian Air Force's action preventing the departure for Russia of seven aircraft from the Oktyabrskoye garrison for several days, despite the fact that it had been planned earlier in accordance with the Sochi agreement. This ban was introduced despite consent given by the Ukrainian Ministry of Foreign Affairs.

Anna Konyukova and Viktor Sosnovskiy reporting from Crimea for NTV. [video shows extensive views of Donuzlav base facilities]

Singer With Suspected Mafia Ties Detained in Israel

LD0401131996 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 3 Jan 96

[From the "Vremya" newscast]

[FBIS Translated Text] [Host Tatyana Komarova] A scandal has again broken out around the well known singer Iosif Kobzon. The press has of late often had his name in its sights, not because of his performing qualities, but because of his suspected links to the mafia.

He was arrested by police on arrival in an Israeli airport yesterday. He was told he was forbidden to enter the country. His visa was rescinded and he was told he would be put on the next flight back home.

Eight hours later the Russian Consulate's representatives made their appearance. They telephoned Shim'on Peres and an instruction came from the prime minister's chancery to let Kobzon into the country, we were told by ITAR-TASS correspondent Anatoliy Kerzhintsev.

We now have on the line Eduard Kuznetsov, editor-in-chief of the Israeli 'Vesti' newspaper, one of the first to have obtained and published this report. Eduard, hello, I am very grateful you could spare some time for us. Let me put a few short questions to you. Tell us, please, when, how and from whom did you find out about Iosif Kobzon's arrest?

[Kuznetsov] Yesterday, just as I arrived at work, I received a telephone call from Aleksandr Yevgeniyevich Bovin, Russia's plenipotentiary ambassador to Israel. He told me, quite alarmed, that Kobzon had been arrested at the Ben Gurion airport. Bovin did not know the reasons behind the arrest, no one wished to explain anything to him on this and so he asked me to intervene and make use of my journalist connections to shed some light on the situation.

I did intervene and three or four hours later I did, at long last, find out that he was arrested at the instructions from the Interior Ministry, although the arrest was carried out by police and that he was orally accused of having links with the Russian mafia.

[Komarova] I understand. Please tell us how and why, in your view, his name appeared on the police lists and my second question follows right after that — what reasons did the prime minister's chancery say were behind the belated decision to let him enter the country?

[Kuznetsov] You know, I think that the news that Kobzon is banned from entering the United States reached the police in Israel somewhat late. Since the topic of combatting the Russian mafia is currently enjoying an extraordinary popularity in Israel, they simply showed this administrative idiocy by taking the step they did.

When Shim'on Peres, the Israeli prime minister, found out about it, all he had to do was snap his fingers, as it were, at the interior minister for the latter to release the singer without delay, because there were no real, serious grounds to have Kobzon arrested. I imagine — mind you, I do not know for sure — I just imagine that the conversation between them was more or less like this: do you have anything serious on him? If so, go ahead. If not, release him now to avoid a scandal. I think that this is why the minister did so, yielding to pressure.

Political Issues

Yeltsin, Premier Do Not Discuss Kozyrev's Resignation

LD0401133996 Moscow ITAR-TASS in English 1331 GMT 4 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 4 (ITAR-TASS) — President Boris Yeltsin and Prime Minister Viktor Chernomyrdin did not discuss the expected resignation of Foreign minister Andrey Kozyrev at their Thursday [4 January] meeting, but approved the resignation of deputy premier Sergey Shakhray in principle, informed sources told Tass.

The presidential press service said only that the two leaders discussed "several personnel issues", but did not elaborate.

The sources said the final decision on Shakhray, who tendered his resignation in connection with election to the State Duma, will be announced later.

Kozyrev was also elected to the lower house and has to choose between the government portfolio and the parliamentary mandate. The deadline for the decision expires on Friday.

Kozyrev himself is on holidays near Moscow up to January 8, sources in the Foreign ministry told Tass.

The Foreign minister, who is expected to resign since the President said in October that he was looking for a replacement, earlier said he would consult the head of state on the issue.

However, no decision was passed at a Yeltsin-Kozyrev meeting in the end of 1995 and they agreed to return to the question later on.

Tass learned, however, that there is no scheduled meeting with Kozyrev in Yeltsin's workschedule in the near future.

At a meeting with Chernomyrdin Yeltsin urged to ensure high discipline of all state officials, the press service said.

"Boris Yeltsin drew special attention to the necessity to raise the level of discipline among the leaders of all bodies of authority at all levels", it said.

Other issues on the agenda were the results of the State Duma elections and the organisation of the future work of the Russian parliament, as well as payments of wage and pension arrears.

Besides, the president and the premier considered preparations of share-power agreements with certain Russian regions and analysed the course of preparations for the CIS summit to be held in Moscow in January, the press service said.

Yeltsin Orders Replacement of Incapable Governors

LD0401142096 Moscow ITAR-TASS in English 1409 GMT 4 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, January 4 (ITAR-TASS) — President Boris Yeltsin on Thursday commissioned chief of the presidential staff Sergey Filatov to improve the functioning of the institution of Presidential representatives at the local level and formulate specific proposals, right up to replacing those who are incapable of working in present-day conditions, presidential press secretary Sergey Medvedev told ITAR-TASS.

Medvedev said Yeltsin continues to analyse the recent State Duma election results. The president is aware that not everything was ideal in the election campaign and that there were some miscalculations and errors, many of which were connected with gubernatorial elections, which in 12 regions coincided with State Duma ones. Such coincidence brought about situations in which some administration chiefs virtually let the State Duma election matters drift while making arrangements for their own election campaigns.

The head of state believes that the activities of some Presidential representatives during the State Duma and gubernatorial election campaign can be assessed as unsatisfactory. This is what, in all probability, explains the presidential instruction given to his chief of staff.

Yeltsin Rejects Amendments to VAT Law

LD0401121696 Moscow ITAR-TASS in English 1206 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW January 4 (ITAR-TASS) — President Boris Yeltsin rejected amendments to the Russian law on the Value Added Tax (VAT), his press service said on Thursday.

It said the president disagreed with the parliament decision to drop VAT privileges in housing construction. "Such an erroneous measure made housing construction more expensive", the press service said.

Besides, the president objected to the decision to make VAT-free those imports which are purchased for money granted as credits by foreign governments and international financial institutions. "Thus, easy terms are created for using foreign credits for purchasing imported goods rather than Russian-made ones... which does not allow to develop the Russian production base at the expense of foreign credits", the press service said.

The president also objected to the provision which allows tax payments in foreign currency saying it violates the Russian Constitution and acting legislation.

Rejects Amendments to Insurance Law

LD0301134196 Moscow ITAR-TASS in English 1252 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, January 3 (ITAR-TASS) — Russian President Boris Yeltsin has turned down the federal law on "Amendments and addenda to the Russian law on Insurance".

In this connection, the Russian president sent a letter to the State Duma which says that when the law was being endorsed by the State Duma second time, the lawmakers turned down a number of principle critical remarks made by the President in his letter of October 20, 1995 addressed to the State Duma.

A report which came to ITAR-TASS from the presidential press service today said that Boris Yeltsin stressed, in particular, that the amended law adopted by the State Duma imposes restrictions on insurance activities depending on whether a juridical entity possesses any organizational or legal form, which runs contrary to the principle of equality between legal entities envisaged in the Criminal Code of the Russian Federation.

Moreover, one of the provisions of the amended law disregards the present condition of the Russian market of insurances, the letter said. The President also criticised a number of other amendments and addenda to the law.

Yeltsin Sends Greetings to Daily's Readers

MM0401091196 Moscow ROSSIYSKIYE VESTI in Russian 4 Jan 96 p 1

[Message from Russian Federation President Boris Yeltsin to ROSSIYSKIYE VESTI readers, signed by Russian Federation President Boris Yeltsin on 1 January 1996: "President Boris Yeltsin to Our Newspaper's Readers"]

[FBIS Translated Text] Many newspapers are now being published in Russia. Everyone can choose their newspaper depending on their political views and their need for particular information.

I am confident that ROSSIYSKIYE VESTI's readers are not mistaken in their choice. It is an influential Russian publication, which provides first-hand information about the work of the president, the government, and the other branches of power. Every morning the newspaper can be found on the desks of ministers, governors, businessmen, and people in the sphere of culture and the arts. They learn in ROSSIYSKIYE VESTI about highly important state decisions and Russian citizens' reaction to those decisions,

The newspaper is increasing its circulation in the new year of 1996. I think that is justified. It is very important at this time, filled as it is with change, for people to be able to obtain honest, complete information about the work and plans of those who have today been entrusted with governing the country.

I send ROSSIYSKIYE VESTI readers New Year greetings with all my heart. Friends, I wish you happiness, health, prosperity, and confidence in the future!

[signed] B. Yeltsin [message is followed by Yeltsin's handwritten signature, or a facsimile thereof, as well "B. Yeltsin" in printed form.]

[dated] 1 January 1996

Yeltsin's 'Ire' Linked to Duma Election Results

MK0401062996 Moscow SEGODNYA in Russian 29 Dec 95 p 1

[Analysis by Aleksandr Bekker: "Saboteurs Have Invaded the Headquarters"]

[FBIS Translated Text] The philosophical calm with which Boris Yeltsin reacted to the election results was short-lived. Yesterday the benevolent president turned sour, issuing a stern directive about executive discipline at the Economy Ministry and the Finance Ministry. The president in particular was outraged by the failure to finance the implementation of a modernization program at the Krasnoyarsk Harvester Plant. According to his press secretary, Sergey Medvedev, the president "is determined to take very decisive measures, including dismissals, with respect to those state officials at all levels who do not carry out his orders."

It is known that the Russian state machine is far from ideal, and dozens of orders from the president and the premier are shelved or even "forgotten." It is very rare that a hair drops from the head of even a mid-level official. But now the long-forgotten word "saboteur" has been revived, and managers at "all levels" are being threatened with expulsion. If this refers to ministers, it should be recalled that after Aleksandr Shokhin left the Economy Ministry and Sergey Dubinin the Finance Ministry, it was Boris Yeltsin who approved the candidacies of Yevgeniy Yasin and Vladimir Panskov as the only acceptable ones.

It is amazing that the presidential scolding was provoked not by failures in macroeconomics or even the budget sphere, had they really occurred, but by underinvestment in a Siberian plant. At worst such inefficiency calls for an oral reprimand from the president or the premier. The head of state's apparently inadequate reaction and the artificial "raising of his voice" suggest that the harvesters are not the real reason: The situation with the plant could have been straightened out earlier, more quietly, and with less publicity.

On Tuesday Boris Yeltsin met with Viktor Chernomyrdin to discuss the election results and, reportedly, also "cadre reshuffles in the government." If the president really cannot ignore the 17 December elections and regards them as popular indignation primarily over back wages and pensions, it would be logical to sacrifice the prime minister and social-block ministers. But the key economic departments chosen as targets for his "ire" suggest that the president is beginning a big-time gamble.

After the LDPR victory in 1993 reaction by the executive branch was not minor either: Gaydar and Fedorov had to leave the cabinet. In the present situation the order by the head of state to crack down on "saboteurs" does not so far mean that Yasin and Panskov have been written off. This is rather a feeler, an overture, a sign to the parties and movements that have made it into the State Duma: We are ready for a dialogue and compromises within the government in exchange for civilized relations between the power branches until the June elections.

Incidentally, it does not necessarily follow that Boris Yeltsin's indirect proposal was addressed exclusively to the Communists. The NDR ["Russia Is Our Home"] is vitally interested in support from Yabloko, and there are some very strong economists in Grigoriy Yavlinskiy's faction — Mikhail Zadornov, Aleksey Mikhaylov, and Aleksey Melnikov. They will not spoil the game, as the saying goes.

If the president's broad hint is not heard by the Duma opposition, then it is quite possible that the status quo at the Economy Ministry and the Finance Ministry will prevail.

It is not ruled out, however, that Boris Yeltsin's peremptory cry is designed not to attract the attention of new Duma deputies but to show to the apparat, which is lying low in expectation of a possible change of power, who is master of the house. In any event, whether as a prelude for bargaining with parliament or as an educational measure with respect to lax officials, the president's directive was made from a position of strength, the demonstration of which may be an important objective for Boris Yeltsin today. That is, of course, if we are not seeing here an elementary fit of anger on the part of the hot-tempered head of state.

Likely Presidential Candidates Assessed

964F0701A Moscow NEZAVISIMAYA GAZETA in Russian 21 Dec 95 p 9

[Article by Vitaliy Tretyakov: "And Now the Presidential Elections: The State Duma Elections Narrowed the Circle of Real Candidates for the Post of President of Russia"]

[FBIS Translated Text] The results of the elections to the State Duma brought some clarity to the Russian political game of solitaire. Primarily to that which reveals the prospects of the campaign for the election of president in June 1996. Unless, of course, someone's, for example, Russia's, HIGHEST interests force a postponement of this notable event deep into the future (not into the third millennium since the birth of Christ, let's hope). But the possibility of this is the subject of a separate discussion. Today we need to make the first rough estimate for 16 June 1996, for the first round, that is, of the presidential elections scheduled by the Federation Council. More precisely, of those who may not only nominate themselves (there are many such oddballs in a free country) but also realistically lay claim to a significant result based on the results of the voting in the first round and, consequently, to progress into the second.

It should be noted here that participation in the presidential elections as a candidate by no means signifies for a politician a serious claim to the post of president. Aside from this there could be a further three similar, but not entirely overlapping, purposes.

The first: to loudly give notice of one's presence and enter into big politics—this was employed brilliantly by Zhirinovskiy in 1991.

The second: to extend one's life in real politics, which was being reduced to nothing, or to maintain one's political approval rating at the requisite level for purposes with absolutely no direct bearing on presidential ambitions (this is the behavior of the leaders of many tiny parties and, simply, the politically ambitious).

The third: to create a trampoline for victory not at the immediate but at the next presidential elections (this is the case of Grigoriy Yavlinskiy, incidentally). In many democracies this is almost the rule (Jacques Chirac in France is a typical example) for an attempt to master the top board at the first try almost never comes off.

There is also show nomination to uphold the mere idea of multiple choice (the case of now almost-forgotten

USSR People's Deputy Obolenskiy). And corporate-tactical nomination: One political force puts up several candidates in order to mobilize as large an electorate as possible, which is then given one, the most realistic, candidate for victory (this is what Petr Romanov is proposing that the forces of the left do in 1996). I shall not consider either of these cases since they have no bearing on the most realistic candidates.

Who figured as such in Russia up to 17 December of this year? They are all here in these photographs: 12 persons. In alphabetical order: Gorbachev, Yeltsin, Zhirinovskiy, Zyuganov, Lebed, Luzhkov, Rutskoy, Rybkin, Skokov, Chernomyrdin, Shumeyko, Yavlinskiy. Based on the election results (even preliminary), three have dropped out immediately and for certain: Rybkin, Skokov, and Rutskoy.

Not long before the elections, in the evening of Thursday, 14 December, to be precise, Luzhkov dropped out. Boris Yeltsin's alter ego, Aleksandr Korzhakov, made it understood in a television interview with ORT with a gentle smile, but clearly, that those close to the president do not desire Luzhkov's participation in this game not only in 1996 but even later either. Of course, Yuriy Luzhkov cannot disobey this order (I shall not in this article consider the problem of the president's health as being a case of political force majeure requiring a separate analysis).

So, 12 less 4 equals 8.

Vladimir Shumeyko, who has hinted repeatedly that he is not without presidential ambitions and would in principle necessarily have nominated himself (for success in the year 2000, naturally), will most likely not do so without Boris Yeltsin's permission. But he could take the risk if, for example, he is not satisfied with the post that is offered him after he leaves the post of chairman of the Federation Council. His decision is in question, therefore.

The same with Viktor Chernomyrdin also. He is being pushed more by his team than by personal ambition. But he cannot agree to a direct confrontation with the president. About a month ago Yeltsin extracted a promise from him, virtually, that he would not put his name forward, making this agreement public. In any event, Aleksandr Korzhakov reminded ChVS [Chernomyrdin, Viktor Stepanovich] of this in that same television interview of 14 December, saying that although his (Korzhakov's) wife would vote for Chernomyrdin on 17 December, he himself (Korzhakov) would vote for Rybkin. In addition, Chernomyrdin need not, theoretically, be in any hurry—the constitutional prerogative of the prime minister (it is important merely that he remain) gives him what all the others lack. But Boris Yeltsin might not, of course, share Korzhakov's opinion concerning ChVS' prospects, about which it is not obligatory that he inform the head of the president's security service himself. In a word, Chernomyrdin is in question also.

There thus remain with absolute certainty, then, six. Yeltsin himself, who has, of course, made the decision, and the reasons for this are obvious. Gorbachev, who is full of strength and desire to step into the same stream twice in order to do what, it seems to him, he alone can do. Zyuganov, who, as a smart individual, cannot fail to understand that his electorate could by the year 2000 have thinned to the minimum for entirely physiological reasons. Lebed, for whom the defeat of the KRO [Congress of Russian Communities] at the parliamentary elections could signify, unless he rectifies the situation urgently, a rapid drift into the camp of the marginals in politics. Yavlinskiy—here, of course, the iron rule operates: First place at the second elections is guaranteed only by second place at the first.

Now let us talk about the potential and initial electorate of each of the six realistic candidates. It is clear that no one has a chance of victory in the first round. Consequently, it is important to make it to the second round. With, in addition, a "good" rival.

Let's imagine that the presidential election campaign begins tomorrow and that each of these six puts himself forward. What do they have?

The calculations below are the fruit of my personal analysis.

Yeltsin. He has 20 percent (but not less than 15 percent) by virtue of: 1) his continued charisma; 2) the traditional conservatism of the electorate (he was chief, let him remain such); 3) the aura of historical contributions. He would relatively easily obtain a further 10 percent (the NDR [Russia Is Our Home] electorate from the Duma elections). Result—**25-30 percent.**

Gorbachev. He would immediately gain 10-15 percent for three main reasons: 1) as the historical alternative to Yeltsin; 2) for "boldness"—he took the risk; 3) as the "new old," the good old days—not the blessed Brezhnev stagnation, of course, but perestroyka, which instilled hope, nonetheless. A further 5 percent could be added subsequently. With the very dogged work of the authorities "against Gorbachev"—10. Result: **15-25 percent.**

Zhirinovskiy. The vote of the LDPR [Liberal Democratic Party of Russia] on 17 December was 11 percent. Objectively speaking, this exhausts his electorate, but some people are investing money in him, all the same.

But even with money (but with fair play) he cannot obtain 10 percent on top of that. Let's assume an absolute maximum of 9 percent. In sum—**20 percent** (unless the bureaucracy plays Zhirinovskiy specially).

Zyuganov. Here things are simplest of all. We add the Duma results of the CPRF [Communist Party of the Russian Federation], the Agrarians, and the Anpilovites. We get 30 percent off the bat. But a subsequent increase is, in practice, unrealistic (or can be computed in one or two percentage points).

Lebed. He will, of course, muster all the votes of the KRO (approximately 5 percent), but, in addition, no less than 10 percent (but hardly more for the 17 December defeat will work against him, all the same). Total of 15 percent immediately. And no less than 10 percent in addition if there is a good startup (if, that is, someone invests big money in him). Or even up to 15-20 percent if, with his Army prowess, he beats Zhirinovskiy at populism. So, **from 25 to 35 percent** total.

Yavlinskiy. Almost all the votes of the democrats will unite here (before the first round): Yabloko plus Russia's Democratic Choice plus the tiny bloclets. That is, unconditionally from 15 to 20 percent (the latter is unlikely). And a maximum of 10, but, most likely, just 5 percent, on top of this. Result—**20-30 percent.**

	Minimum (percent)	Maximum (percent)
Yeltsin	25	30
Gorbachev	15	25
Zhirinovskiy	11	20
Zyuganov	30	32
Lebed	25	35
Yavlinskiy	20	30

Now let us tally the first result of the initial and potential electorate of each of the six candidates at the first stage of the election struggle (see table). This is not (strictly speaking) a forecast for 16 June, for the first results of public and private polls will force the candidates and their teams to change tactics. But we will for the time being leave these adjustments aside. We will assume that the election campaign takes place in a compressed timeframe (within a month to six weeks).

Who are the leaders if we consider everyone's minimum results?

1. Zyuganov (30 percent)
2-3. Yeltsin (25 percent)
2-3. Lebed (25 percent)
4. Yavlinskiy (20 percent)
5. Gorbachev (15 percent)
6. Zhirinovskiy (11 percent)

The picture is somewhat different if the candidates are ranked according to their maximum possibilities:

1. Lebed (35 percent)
2. Zyuganov (32 percent)
3-4. Yeltsin (30 percent)
3-4. Yavlinskiy (30 percent)
5. Gorbachev (25 percent)
6. Zhirinovskiy (20 percent)

Now let us sum up both ratings, but according to a simplified format.

Of course, it is clear that in both cases the sum total of votes obtained by all six candidates exceeds 100 percent, which is not possible. But let us assume that we have caught the trends and that the percentages decline proportionally for all. Let us sum up the places in both ratings:

Zyuganov — 3 (1+2)
Lebed — 3.5 (2.5+1)
Yeltsin — 6 (2.5+3.5)
Yavlinskiy — 7.5 (4+3.5)
Gorbachev — 10 (5+5)
Zhirinovskiy — 12 (6+6)

Undisputed leaders, it would seem. And there are only two—Zyuganov and Lebed—all the rest have no chance of making it to the second round. But this is obviously far from being the case. And this is easily shown by our ratings, for they contain not only figures but also actual names. This can be seen most clearly in the example of the Lebed-Zhirinovskiy pairing. If they both participate in the election campaign, neither can muster his maximum since each is a super-populist.

The maximum mustered by Zhirinovskiy automatically gives Lebed the minimum (there is here, of course, the question of whose electorate is the more stable). And, correspondingly, Lebed could easily with Zhirinovskiy's help drop from second place to third, letting Yeltsin move up (who would in this case get into the second round). But Zyuganov also has to some extent an electorate that intersects with Lebed and Zhirinovskiy. That is, if the No. 1 communist obtains the maximum also, Lebed would allow Yavlinskiy to move up also.

Generally speaking, these six break down into two antagonistic camps, which have an odd appearance (at first sight): Yeltsin-Gorbachev-Yavlinskiy and Zyuganov-Lebed-Zhirinovskiy. And since each needs victory individually, the strategy, it would seem, is clear: to knock out the competitors who are close to oneself, having taken their electorate. But this is a primitive strategy, and for this reason ineffective.

Many people believe for some reason or other that if Yeltsin and Lebed go through to the second round, the present president will lose resoundingly. If Yeltsin and Zyuganov, and, even more, Yeltsin and Zyuganov, Yeltsin will, on the contrary, win easily. Really? This could be greatly disputed (but I shall leave this dispute for a subsequent article). But who will answer me without a moment's hesitation the question: Who wins in the second round if Yavlinskiy and Yeltsin go through? (Shout from the floor: "The elections will not take place!" The answer: It is very doubtful). And if Gorbachev and Yeltsin are in the second round? (Once again the retort: "This is unrealistic! Look at Ryzhkov's result at the Duma elections!" The answer: Less realistic, I agree). Nonetheless: What if?

And the list of these "if's" could be multiplied, incidentally. We have not, after all, touched on the alternatives connected with a change of head of government. If Yeltsin offers Yavlinskiy this post? And if Shumeyko with his "new policy" runs—success is doubtful following the failure of Rybkin's BIR [Ivan Rybkin's Bloc], but, still?

It is essential to analyze all the alternatives. To see what kind of actual balance of forces shapes up in the Duma. There is too much emotion at this time. Will the democrats unite around Yavlinskiy? Who will be speaker of the Duma? Will the communists get posts in the government? The subtlest maneuvers of the ironclad political forces have now begun, of course. The picture will have cleared up somewhat by the end of January, probably. Not without our participation.

Yasin: Economics Minister Ready To Dismiss 'Saboteurs'

LD0401120196 Moscow ITAR-TASS in English 1116 GMT 4 Jan 96

[By Artyom Protasenko]

[FBIS Transcribed Text] MOSCOW January 4 (ITAR-TASS) — The Economics ministry is ready to sack those who ignored the decision of the Russian president and premier and the corresponding proposals will be submitted to Boris Yeltsin soon, according to Economics minister Yevgeniy Yasin.

"The Economics ministry has prepared an answer to Russian President Boris Yeltsin, as well as a number of organisational measures in the ministry regarding those responsible for the non-fulfilment of the presidential instruction on the 1995 investment programme", Yasin told Tass on Thursday [4 January].

The official wording "organisational measures" means reshuffling, however Yasin did not elaborate who may be fired and whether he himself is the target.

On December 28 Yeltsin gave Prime Minister Viktor Chernomyrdin two days to "submit proposals on strengthening the leadership of the Economics ministry and on dismissing the saboteurs".

Yeltsin was angered over the ignoration by the ministry of his instruction to launch the production of new agricultural machinery at the combine harvester plant in the Siberian city of Krasnoyarsk and to include the enterprise into the 1995 investment programme.

Yeltsin visited the plant in the summer of 1994 and in December 1995 Krasnoyarsk voted overwhelmingly for communists and nationalists at the State Duma elections.

Yasin, however, also blamed the plant itself for failure to get into the investment programme. "We tried to fulfil the instruction of the president, but the enterprise did not submit the necessary technical and economic feasibility documents", he said.

Daily Examines 'Betrayal of the Motherland' Article

MM0301171696 Moscow IZVESTIYA in Russian 4 Jan 96 p 2

[Article by Yuriy Feofanov: "Critic of Power Is Enemy's Accomplice"]

[FBIS Translated Text] Lawyer Petrukhin: Does the formulation of article 64 of the RSFSR [Russian Soviet Federated Socialist Republic] criminal code "rendering aid in enemy activity" make it possible to convict innocent people?

Expert Naumov: Yes, that is a possibility.

Judge Ebzeyev: The very existence of this formula in the operating legislation is a kind of potential threat to the citizen?

Expert Naumov: In the context of the present formulation of article 64, yes. (from stenographic record of Constitutional Court session).

The reason for the examination of article 64 of the criminal code for betrayal of the Motherland was the honest complaint from citizen V.A. Smirnov convicted in 1982 of a very serious crime. This USSR citizen, while on a tour of duty in Oslo, asked for political asylum in connection with the fact that he "did not like the situation which has taken shape in the Soviet country" and during a meeting with representatives of the Soviet Embassy in Norway he "expressed solidarity with people engaged in anti-Soviet activity" (page two of the sentence); in particular he protested the persecution of Academician Sakharov, denounced the war in Afghanistan, spoke positively of Poland's "Solidarity," listened to VOA and Deutsche Welle. Moreover Smirnov had given character descriptions for his colleagues and described the work of his institute. From the sentence: "Such information is used by foreign intelligence services to prepare acts of ideological subversion and to persuade Soviet citizens to betray the Motherland and Smirnov has thus rendered aid to foreign states in conducting hostile activity." He had not caused the slightest harm to the country but he was still a traitor to the Motherland.

The second charge was revealing a state secret, again under the same article 64. Yes, Smirnov had in Norway described his institute of control computers, the equipment used, and the engineers and scientists. But the institute was an open one, the instruments were bought at international exhibitions, and the employees, like Smirnov himself, had no access to secret material. And even if he had wanted to reveal a state secret he did not know it. It was still betrayal of the motherland.

And, finally, the third point — fleeing abroad. In general Valeriy Arkadyevich is a strange escapee: On acquiring political asylum in Norway he immediately asked to return to the Motherland. Our embassy gave permission to its errant son. At Sheremetyevo Smirnov was met and accompanied to Lefortovo and from there, by sentence of the Moscow City Court, to spend 10 years in prison. The general prosecutor's protest against the sentence was rejected by the Russian Supreme Court, so that Smirnov had time to think about our legal system. Having served his term in prison, Valeriy Arkadyevich asked the Constitutional Court: How constitutional is article 64 of the RSFSR Criminal Code — betrayal of the Motherland?

The Constitutional Court verdict was as follows: Failing to return to the Motherland or fleeing it cannot be deemed betrayal since our Constitution and all international norms give the citizen the right to choose his place of residence. All the rest from the vast article 64 of the RSFSR Criminal Code including the revelation of a state secret and conniving with the enemy as before must be regarded as a very grave crime. In brief, with one exception the article "betrayal of the Motherland" has been deemed to comply with the Constitution of the new Russia. And consequently citizen Smirnov, who announced who earned how much in his institute and who did what, and what foreign instruments were used remains a traitor to the Motherland even though he has served his term in prison.

It must be said that the press did not overlook the Constitutional Court verdict. The items in NEZAVISIMAYA GAZETA, SEGODNYA, MOSKOVSKIY KOMSOMOLETS, and VECHERNAYA MOSKVA expressed a sense of satisfaction at the fact that escapees had been vindicated. But it seems to me that journalists failed to pay attention to the serious threat contained in the Constitutional Court verdict. Particularly incomprehensible is our indifference toward our own possible fate, about which the alarm was sounded by one of the constitutional judges, Anatoliy Kononov, who stated his own individual opinion.

Article 64 of the RSFSR Criminal Code, the judge believes, "has for many years been in fact an instrument of political repressions and the struggle against dissent and political opponents, a means of harsh suppression of universally recognized human and civil rights and freedoms. This article inherits all features of article 58 of the times of Stalin's terror regarding counterrevolutionary crimes."

The assessment is quite sharp but during the examination of Smirnov's case it was essentially not refuted. Of course, the political regime in the state has changed and there are no mass repressions. But the conservation of article 64 in its initial form, even with the exclusion of one component, ("fleeing abroad") presents a great danger to a free society: It is a kind of repressive sword which so far the authorities are keeping in its scabbard. Because the actual definition of betrayal of the Motherland as a deed committed "to the detriment of the sovereignty, territorial integrity, or state security and defense capability of the USSR" permits of any interpretations and is not subject to formal legal analysis. Essentially almost any political opponent of the authorities could be charged with this crime. And judge Kononov concludes that "the legislators have deliberately admitted the possibility of an expanded interpretation of this article." He believes that "political practice of recent years with elements of the resurrection of power patriotism and a totalitarian sense of justice attests to the danger of the clauses of article 64 of the RSFSR Criminal Code in the struggle against political opponents — 'traitors,' 'betrayers,' and 'enemies of the people.'"

It has been written and stated repeatedly at all levels that both the actual name of the article and its content have not a legal but a political and moral force. There is a mass of nuances here. The citizen's duty is to observe the laws of his state but no one can be forced to love his Motherland, that is an intimate matter, if you like. The Motherland can in no way be identified with the regime established on its territory for the regime is capable of dealing with a citizen in a way that not only does not involve love but does not even involve loyalty: There are plenty of examples of this. I for one in no way share the views of those who have turned the concept of patriotism into what is virtually a shameful feeling. No, patriotism is sacred. Nonetheless it is nothing in purely legal terms. Unfortunately the Constitutional Court did not give legal assessments of all clauses of article 64 in convincing formulas.

That applies to the article as a whole and to its components. In the opinion of judge Kononov, "'rendering aid to a foreign state in carrying out hostile activity' is one of the vaguest components. As is well known, vagueness in the law is a direct path toward tyranny. In actual fact given the looseness of the formula, any critic of the authorities can surely be deemed to be an accomplice of the enemy?

And, finally, about the revelation of a state secret as betrayal of the Motherland. Literally on New Year's Eve a presidential edict confirmed a list of information categorized as state secrets. It was published 27 December. The list includes 87 parts divided into four sections: information in the military sphere, information on foreign policy and foreign economic activity, information in the economy, science, and technology, information in the field of intelligence, counterintelligence, and investigation. It indicates the departments "with the powers to use this information" — from the Defense Ministry to the State Committee for Higher Education. It would seem that the publication itself was a good thing. Very recently, after all, people used to be put in prison for something labeled "secret," which of itself is unlawful. But let us wait before rejoicing. Let us take a look at what is "forbidden." I cite just a few bans:

— information revealing plans for the use of troops;

— information on questions of foreign policy and foreign trade;

— information revealing forecasts of the Russian Federation's scientific and technical progress and its socioeocnomic consequences....

And so on. Almost every ban is accompanied by provisos like "information whose publication could cause damage." But who will determine that? So there is the same vagueness which imbues article 64 of the RSFSR Criminal Code. It would at least be understandable if responsibility for making public a state secret was borne by those who are officially given access to the secret and who have been warned of their liability. But no — you can take anyone. At the hearing of the case in the Constitutional Court Professor Petrukhin, Smirnov's lawyer, said:

"If a person had seen, for instance, military vehicles driving through his village or seen a nuclear blast at Semipalatinsk, he became the accidental possessor of secret information. And if he told anyone about it then in accordance with article 64 and the commentaries on it he could be liable to a charge of betrayal of the Motherland.

This has a direct bearing on us journalists, who are devouring freedom of speech. The press has felt it its duty by any legal means to seek and disseminate information. And it does this asserting democratic values. Alas, the Constitutional Court verdict warns that it will only do so for a while. It was within the walls of the Constitutional Court that I heard the following assessment of the verdict on the article "Betrayal of the Motherland" — yesterday's political repressions have been vindicated and the way is open to tomorrow's political tyranny.

In the light of recent sociopolitical events it is worth heeding that.

Media Issues

Financing of State Television, Radio Debated

MM0401114096 Moscow ROSSIYSKAYA GAZETA in Russian 4 Jan 96 p 5

[Report by Aleksandr Sharov: "Of Relay Tower and Orenburg Potatoes"]

[FBIS Translated Text] Television and radio broadcasting are an enormous empire where there are "top people on the first channel" and ordinary "work horses," where people are entertained and educated, where some people make fantastic amounts of money while others barely make ends meet.

But any extreme is abnormal. And if some people are "acting up," throwing around millions, and meanwhile their colleagues who ensure the operation of the transmitter somewhere in the Orenburg steppes are concerned for the potato yield so that they can feed their family in the winter, then that means something is wrong.

This was discussed at an expanded collegium of the Russian Federal television and radio broadcasting service on New Year's Eve.

A poor man is glad of even a pitiful ruble, as the saying goes, but if only he could get it all! Alas, we shall not be original if we say that the prime source of all the troubles of state television and radio broadcasting is insufficient financing. The elite sector is experiencing hard times. Throughout the past three years the degree of budget financing has been causing persistent spiritual suffering. In 1994 they adopted a budget equal to 50 percent of the declared minimum sum necessary for normal existence. The next year this figure fell to 34 percent. For 1996 financing has been announced of 3.8 trillion rubles [R] but in reality television and radio workers can count on only R2.1 trillion.

But if only even this money arrived in time and in full! No chance. In 1994 they received 82 percent of the already truncated amount and the following year 90 percent. Where is the guarantee that the painfully familiar picture will not be repeated in 1996?

The budget has been and remains the main source of financing for state television and radio companies. And here we must draw a clear distinction between private companies (NTV, TV-6, and others) which reflect the interests of specific industrial and financial groupings and live by no means badly at their expense and the state television and radio broadcasting, designed to operate for the benefit of the country and its citizens. The current opinion that the television men are living in style on extrabudgetary funds is far from the truth. The volume of revenue received in this way in state companies is no more than 20-25 percent of the real financing. The majority of these funds goes to pay for various services, and to buy and update equipment, the wear and tear on which in some regional companies surpasses all possible limits, and yet not a single ruble has been earmarked from centralized capital investments for its renewal.

The general prepares for battle by studying the experience of past wars. Financial disorders are felt most keenly in the period of great political events, which undoubtedly included the recent elections. But in six months or so new battles await us — this time for the presidential seat. With what will the television and radio companies approach the next election race: with an understanding of their place and importance or, as Valeriy Tolskiy, chairman of the council of leaders of regional state television and radio companies put it, will they again be "microphone stands?"

Everyone remembers how many reprimands came the way of the Central Electoral Commission instruction by which state television and radio organizations were to be guided during the election campaign.

The casting of lots envisaged by the instruction for free and paid time for election campaigning generated the sharpest comments. Locally it was carried out within strict deadlines but later applications from other regions began to come in. The companies' leaders were faced with a dilemma: If they refused they were violating the Central Electoral Commission instruction, if they granted air time they were violating the law on elections whereby everyone should have equal rights and volumes. As a result a government telegram was sent to the Central Electoral Commission demanding that these applications be satisfied. Thus those who took part in the casting of lots lost out. And there were a great many such absurdities. Not to mention the fact that this entire electoral orgy almost everywhere drove national, cultural, and general education programs off the air. And if the Duma elections coincided with local elections then, as the leader of the state television and radio broadcasting company from Vladivostok put it, "it was impossible to bear."

The Central Electoral Commission instruction contained a very vague phrase about how the expenses incurred by the state television and radio broadcasting companies in granting equal free air time are paid "from the relevant budget" without saying exactly which budget.

So far there is been no precise, financially justified analysis of the recent election campaign but it is already clear that the 1996 budget together with the present losses will force the overwhelming majority of state television and radio companies not only to reduce broadcasting volumes but also to simplify their structure through repeats and a reduction in the number of original programs. And all this in the year of the presidential election which are, let us be frank, of fateful importance to our country!

The Russian Federation president's signed edict "on the improvement of television and radio broadcasting in the Russian Federation" and the normative acts adopted to develop it could change the situation but a certain amount of time and, the main thing, money, are required for that. Will money be found at the Ministry of Finances and will the people wait? — we will soon get the answer to that question.

Military & Nuclear Issues

Soskovets Says Defense Plants Have 'Free Rein'

MM0201133196 Moscow Russian Television Network in Russian 0500 GMT 12 Dec 96

[From the "Vesti" newscast: Video report from Omsk by S. Milyanchikov, identified by caption; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Text] [051612] [Milyanchikov over Polet production facilities] The survival of military-industrial complex enterprises today depends primarily on the initiative of their management rather than the government. A graphic illustration of this is the example of two of Omsk's major defense plants — the Polet Aerospace Association and the Transmash plant. The former had worked for many years for the space program. When military orders dwindled, its management sought orders on the external market. The Association now produces cargo aircraft. Prospects for the production of buses are currently being discussed with Mercedes Benz. One way or another, the enterprise is managing to keep afloat.

Meanwhile the neighboring Transmash plant, which produces the latest T-80 tanks, is in dire straits. All the tanks produced during the past two years are standing in the factory yard. Inside the production facilities there is another three years' worth of output. Yet the management is still waiting for a defense order from the government. According to First Vice Premier Oleg Soskovets, who visited Omsk, the government will buy only the absolutely necessary minimum, and that on a competitive basis. Only this minimum will be funded. Otherwise the defense plant has free rein. It can assimilate civilian output, provided it is competitive. And if its military hardware is not inferior to foreign equipment, it can certainly go out and find buyers. The government will assist them in drawing up deals.

Enterprises which correctly assessed their strength and the situation in good time are already beginning to emerge from crisis.

Without canvassing for any particular party, Oleg Soskovets urged plant directors during his meetings to think carefully before the elections: Did they want to turn the clock back years and return to the planned economy, or remain free and independent. [051730] [video shows aircraft and tank production facilities, tanks in factory yard, visiting Soskovets delegation]

Defense Official Regrets Lack of Aircraft Carriers

LD0301155596 Moscow INTERFAX in English 1519 GMT 3 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — Russia may enter the second millennium without aircraft carriers, deputy head of the Russian State Committee for Defense Industries Gennadiy Voronin told INTERFAX.

The Russian navy has only one heavy aircraft carrier "Fleet Admiral Kuznetsov". Two similar vessels "Minsk" and "Novorossiysk" have been sold to South Korea for $80 million as scrap metal. The heavy aircraft carrier "Fleet Admiral Gorshkov" may be sold to the Indian navy.

Foreign countries care about construction of aircraft carriers and heavy aircraft ships, said Voronin. Before 2002 the United States is planning to put into commission two new aircraft carriers which will increase its aircraft carrying fleet to 12 units. The United States does not cut its aircraft carriers for scrap metal as Russia does, but modernizes them or transfers them to the reserve.

The Russian navy crisis is aggravated by chronic non-payments to defence plants and irregular financing of the conversion programs, said Voronin.

The lack of money for planned repairs prevents the Russian fleet from ensuring combat readiness of the majority of its ships. The fleet has to sell them. In the past five years Russia has not started construction of a single ship or strategic submarine. Russia may turn into a secondary naval country without a clear and well-financed state program for building of its navy, added the official.

Slipshod Army Nuclear Safety Practices Condemned

MM0401100296 Moscow IZVESTIYA in Russian 4 Jan 96 p 1

[Article by Aleksandr Kanygin, chief of the Upper Volga Inspectorate of the Russian Federation Federal Inspectorate for Nuclear and Radiation Safety: "Russian Heartland Threatened by Local Level 'Chernobyl,' or What the Defense Ministry Is Hiding From the Russian Federation Federal Inspectorate for Nuclear and Radiation Safety"]

[FBIS Translated Text] Yaroslavl — Recently I have been receiving frequent telephone calls in my office from State Motor Vehicle Inspection Administration posts. "We have stopped a suspicious military convoy with 'radiation hazard' markings along the road but the military have no documents, no one knows what the load is or what its destination is, and when we ask they tell us where we can go: 'It is secret, inspection is not allowed.'"

This is happening not in the frozen wastes of the Far North or in the uninhabited taiga but in densely-populated regions of Russia not far from the capital. And you do not need to be a leading specialist to realize the possible consequences of a local-level "Chernobyl" if this secret convoy suffered an explosion. But paradoxical though it might seem, it is now six months since the Gosatomnadzor [Russian Federation Federal Inspectorate for Nuclear and Radiation Safety] inspectorate was stripped of the right to monitor the military department's radiation safety. This happened as a result of the Russian President's Directive No. 350 of 26 July 1995 in which monitoring the use of nuclear materials and radioactive waste within Defense Ministry subdivisions is entrusted to...the Defense Ministry itself. I personally find this extremely bewildering and worrying because military units which are free from all civilian control today pose an extreme radiation danger to Russia's population.

I state this quite openly and I am no amateur in this respect, I was until recently a colonel and served over 27 years in the Armed Forces and ended my military service as chief of the army's radiation, chemical, and biological protection service. In other words, my knowledge of the situation is not based on hearsay. I can tell you bluntly that the situation regarding the storage and use of nuclear materials is far worse in military units than at installations under the Gosatomnadzor's control. The specialist training of cadres is poor. There is no analysis of the effect of nuclear materials on people and the environment. The protection of these secret installations is unreliable. And I was greatly surprised by the recent statement of Georgiy Kaurov, director of the Ministry of Atomic Energy's Public Relations Center, who said that in the past 50 years not a single nuclear charge has gone missing in our country: In America they have gone missing but not in our country. But in the first place, how can that claim be verified when information has been and still is being concealed on the grounds that it is "Top Secret." And second, given that army property and conventional weapons are being sold off wholesale nowadays why not sell a nuclear device at a profit or, if it stolen, just write it off?

Incidentally, military units (including in Yaroslavl Oblast) also contain a radiation hazard both to the environment and to the civilian population which may not be on a "Chernobyl" scale but is nevertheless serious — they have thousands of sources of ionizing radiation in the form of mobile and fixed chemical laboratories and dosimetric apparatus. The Army's attitude toward them is even more slipshod. If they go missing no one looks for them, they are simply written off. When I was in the army there was no notion of burial sites for the storage of radioactive substances. And now when there is far less order in the Army the situation is most probably even worse. In the Army they gradually stockpile a lingering death in the form of radioactive substances in order later to... "get rid of it." The military unit in neighboring Tver Oblast is still fighting the radioactive contamination which occurred several years ago when radioactive materials were burned in the furnace along with the boiler house coal.

As we can see, the Defense Ministry (which undoubtedly initiated and inspired the aforementioned presidential directive concerning the military's complete lack of public accountability on matters of radiation safety) has things to hide from the population under the all-powerful "Top Secret" stamp. And it is not just the ordinary civilians of Yaroslavl Oblast, whose cities, villages, fields, and forests are being criss-crossed at will by the military on the strength of that "top secret" stamp, who do not know what is going on in the military units today or what the radiation situation there is like. The same is true of the organs of the Gosatomnadzor and the State Committee for Sanitary and Epidemiological Supervision and the Yaroslavl governor himself.

It is no wonder that since the president's July directive, an ominous gaping hole has appeared in the system of regulating the control and verification of radiation safety in the oblast. And not just in Yaroslavl Oblast. Now that the military are no longer under society's control they have become even more dangerous. Furthermore I am convinced that this danger is even greater than for the potential enemy whom they have been brandishing at us for decades. I do not want to make predictions but I am convinced that unless rigid civilian control is reimposed on the nuclear danger posed by military units, sooner or later this will end badly for Russia and a great many completely innocent people will suffer. That ill-starred hour could well be nigh.

Federal Assembly

Federation Council To Study Bosnia Troop Deployments

LD0301160196 Moscow INTERFAX in English 1513 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — The Russian Defense Ministry "is about" to produce blueprints for the dispatch of Russian peacekeepers to Bosnia, a knowledgeable Ministry source told INTERFAX.

The first few hundred troops will be sent to the Balkans "days after the Federation Council has made an appropriate decision," the source said.

The upper house of the Russian parliament will consider the dispatch of Russian paratroopers to Bosnia on January 5.

The bulk of the Russian contingent will be transported to Bosnia as soon as an assembly area is prepared by a task team, "tentatively in the middle of this month," the Ministry spokesman said.

A peacekeeping brigade is to be formed on the basis of Russia's 98th and 76th airborne divisions. It will be taken to Bosnia by air and by rail.

Army cargo planes will have to fly 60-odd missions to take the paratroopers to Bosnia. In addition, four trainloads of Russian peacekeepers will arrive in Bosnia by rail, the same source said.

The general staff of the Russian airborne troops and Ukrainian and Hungarian officials have already discussed transit shipment of army hardware via Ukraine and Hungary.

Russia's 2,000-strong brigade in Bosnia will be equipped with more than 120 armored combat vehicles and some 300 cars.

The Russian peacekeepers will be expected to ensure, in cooperation with the 1st armored division of the United States, the disengagement of the conflicting forces and respect of the ceasefire agreement in the Brchko, Zvornik and Tuzla areas of northern Bosnia.

Parliament To Vote on Sending Paratroops

LD0401123496 Moscow ITAR-TASS in English 1209 GMT 4 Jan 96

[By Vyacheslav Guskov]

[FBIS Transcribed Text] KOSTROMA, January 4 (ITAR-TASS) — The Federal Assembly of the Russian Federation on Friday will decide whether to send a Russian peace-keeping brigade to Bosnia, deputy commander of the Russian Paratrooper Force for emergency situations Lieutenant-General Vyacheslav Khalilov told TASS.

A 1,500-strong brigade on Thursday was inspected on the compound of a paratrooper regiment deployed in Kostroma 190 miles northeast of Moscow, according to the general.

The inspection was the final touch in the paratroopers' training, "the last word lies with Russian politicians," he said.

NDR Duma Faction Head Gives First News Conference

MK0401120796 Moscow NEZAVISIMAYA GAZETA in Russian 29 Dec 95 p 1

[Report by Ivan Rodin: "Faction Being Knocked Together in Duma. Sergey Belyayev Becomes NDR Deputies Leader, No Leader in 'Independents' Group"]

[FBIS Translated Text] Sergey Belyayev, former head of the State Committee on the Administration of State Property and, later, head of the NDR ["Russia Is Our Home" movement] campaign headquarters, has become chairman of the NDR Duma faction. He announced this at his news conference yesterday. According to Mr. Belyayev, a two-day conference of elected NDR deputies near Moscow has shown that his faction now effectively includes 56 members.

However, he pointed out, concrete work is in progress with both independent deputies and those who ran in single-seat constituencies on the ticket of some party, mainly of a democratic orientation. Sergey Belyayev expressed the hope that the NDR Duma faction will, in the final analysis, include between 80 and 100 deputies. Incidentally, NDR leaders remember the sad experience of building a faction in the Fifth Duma, "Russia's Choice," which created a big association out of a multitude of "independent" deputies and then, largely because of these very deputies, fell apart.

Sergey Belyayev joined Viktor Chernomyrdin by once again proposing cooperation to the "Yabloko" faction, noting that its positions are not diametrically opposed to NDR's ideas. Grigoriy Yavlinskiy's statement to the effect that no proposals on joint actions have been received from NDR, was commented on by Mr. Belyayev's phrase: "I can only laugh."

The NDR Duma faction leader devoted a considerable part of his press conference to dispelling the general delusion that the Communists have won the parliamentary elections, and will, probably, have a majority in the Duma, whereas NDR, on the contrary, has lost these elections. Sergey Belyayev, for example, thinks that "no Communists have won and will never win." As for the government, it, in his view, has received tremendous confidence because the political movement supporting it through the grueling reforms won about 10 percent of the votes.

Mr. Belyayev believes that the number of CPRF [Communist Party of the Russian Federation] supporters will wane considerably over the next four years. NDR will help this, in particular, by preventing the use of Duma for political agitation.

Sergey Belyayev dismissed the possibility of support by NDR of any Communist candidate for speaker by stating that "NDR is actually the only force opposing the CPRF." Therefore, NDR will put up its candidate, and it is worthwhile to fight for this position. As for Duma committees, NDR, according to its faction leader, would like to see its representatives in every one of them. At any rate, Sergey Belyayev noted, "we are interested in that a number of the key committees which form the economic policy should be in the NDR hands." Belyayev expressed confidence that the distribution of posts will again be carried out in the form of a parity agreement between the leading factions.

New Duma Deputies To Meet With Chechnya's Dudayev

LD0301155996 Moscow INTERFAX in English 1514 GMT 3 Jan 95

[FBIS Transcribed Text] MOSCOW, Jan 3 (INTERFAX) — A meeting of several newly-elected Duma deputies with Chechen rebel leader Dzhokhar Dudayev is scheduled for January 5-10 in Chechnya, Duma deputy and head of the Economic Freedom Party Konstantin Borovoy told an exclusive INTERFAX interview Wednesday.

Borovoy said he had an almost-hour-long conversation with Dudayev last night, and the rebel leader supported this initiative. Borovoy cited Dudayev as saying that peaceful methods of settlement have not been exhausted, and that he guarantees safety to the Russian parliament members.

Borovoy is planning to offer the Our Home is Russia and Yabloko movements the opportunity to include their representatives in the deputy group to meet Dudayev. Newly-elected Duma deputies Arkadiy Yankovskiy (deputy chairman of the Economic Freedom Party) and Yuliy Rybakov (Democratic Choice of Russia - United Democrats) have announced their intention to join the deputy group, said Borovoy.

In the words of Borovoy, he met "representatives of presidential departments and of the defense, interior and security ministries in Moscow" on the eve of his telephone conversation with Dudayev. Judging by these meetings, "they lack a common opinion and understanding of the Chechen situation," said Borovoy.

"I will tell Dudayev that the range of opinions on the Chechen conflict is rather large — from the extremism of Russian Interior Minister Gen. Kulikov, who wants more war, to the peaceful settlement efforts of presidential experts," he said.

Borovoy cited Dudayev as saying "the formal condition for peaceful settlement of the conflict remains unchanged: withdrawal of federal troops from Chechen territory and negotiations with persons who can take decisions."

According to Borovoy, Dudayev "does not see a major difference between formal communists headed by Zyuganov and the actual communists who are ruling Russia. Dudayev and I do not believe either of them."

Borovoy agreed with Dudayev that "the Chechen conflict has stopped being an internal affair of Russia, and its settlement should be based on recognized legitimacy of Dudayev as the President of Chechnya and the illegitimacy of the falsified December 17 elections of Zavgayev the republican head."

Legislative, Regulatory Documents 24-30 Dec

96P50031

[FBIS Media Note] The following is a listing of CIS legislation recently published in the press of the CIS compiled by FBTS. Numbers within parens indicate approximate wordage. Entries followed by the notation "Text" have been translated into English and are available in FBIS publications.

SECTION I: ECONOMIC LEGISLATION (EXPORT-IMPORT, BANKING, PRIVATIZATION, AUCTIONS, REGIONAL DEVELOPMENT)

Chernomyrdin 2 November Decree No. 1070 Transferring 'Orenburgpromstroyproyekt' and 'Tesmo' Enterprises From Federal To Local State Ownership, Plus Kalmantayev Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 1) (100/400)

Chernomyrdin Signed 2 November Decree No. 1081 On Approving Statute On Specific Features Of Procedures Utilized In Respect Of Insolvent Agricultural Organizations; Accompanied By Text Of Said Statute. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 5) (1000/1350)

Chernomyrdin 3 November Decree No. 1088 On Creation Of 'Shushenskiy Bor' National Park In Krasnoyarsk Kray. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (200)

Chernomyrdin 20 November Decree No. 1123 On Federal Targeted Program For RF Forestry Complex. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 6) (250)

Chernomyrdin 20 November Decree No. 1141 On Amendments To 29 June Decree No. 639 (Deals With

Matters Relating To Controls On Natural Monopolies In Fuel And Energy Sector), Plus Sharov Commentary. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 4) (150/500)

Chernomyrdin-Signed 25 November Decree No. 1161 On Amending 27 December 1994 Decree On Creating Interdepartmental Commission To Coordinate Implementation Of Project For Supporting Reforms In Agriculture. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 6) (600)

Chernomyrdin Signed 25 November Government Decree No. 1166 On Redrafting Into RF State Internal Debt Of Debts Of Agro-Industrial Complex Organizations Of Chelyabinsk Oblast And Dagestan's 'Chirkeygesstroy' Company Incurred As Centralized Loans And Interest On Them. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 6) (450)

Chernomyrdin Signed 25 November Government Directive No. 1645 Tasking Economics And Finance Ministries With Preparing And Submitting By 1 February 1996 Draft Government Decree On Elaborating Forecast For Russian Federation's Socioeconomic Development In And Draft Federal Budget For 1997. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 6) (150)

Chernomyrdin 27 November Government Decree No. 1177 On Forming And Approving Statute On Interdepartmental Commission On Questions Of Vocational Guidance And Psychological Support Of Population; Establishing Annual Fund For Payment Of Wages Of Employees Of Territorial Organs Of Currency And Export Control Service. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 6) (50/50)

Chernomyrdin 27 November Directive No. 1653 Ordering Allocation Of R5 Billion To Pay Military Construction Workers In 1995. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (50)

Chernomyrdin 4 December Directive No. 1684 On Allocating Funds To Fund For Support And Development Of Private Farms To Provide Prizes For Winners At 'Russian Farmer' Fair (Unused Money To Be Returned To Government). (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (150)

Yeltsin Signed 10 December Federal Law No. 196 'On Traffic Safety.' (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 pp 4-5) (9000)

Chernomyrdin Signed 12 December Government Decree No. 1214 Boosting Additional Payments To Wages Of Class Ranks For Employees Of Russian Federation State Tax Service. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 3) (100)

Chernomyrdin 13 December Directive No. 1717 On Matters Relating To Funding Of Agro-Industrial Complex In December 1995. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (500)

Yeltsin-Signed 14 December Federal Law No. 198 On Ratification Of Agreement Between Russian Federation Government And Interstate Aviation Committee On Conditions For Its Presence On Russian Territory. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 4) (50)

Yeltsin-Signed 17 December Federal Law No. 200 On Amendments And Additions To RF Law On Federal Organs Of Tax Police And To RSFSR Code Of Criminal Procedure. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 3) (2900)

Chernomyrdin 18 December Decree No. 1245 On Amendments And Additions To Decree On Temporary Procedure For Using Monies Paid Into Enterprise And Organization Current Accounts, Plus Accompanying List Of Terms For Granting Deferments On Tax Debts. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (1600)

Yeltsin 21 December Edict No. 1282 On Creation Of Polar Geological And Extraction Company Open-Type Joint Stock Company. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 955 p 4) (800)

Yeltsin 22 December Edict No. 1284 On Reorganization, Development Of Tourism In Russia, Accompanied By Text Of 'Concept' For Reorganization...' etc. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 4) (750/1500)

Yeltsin-Signed 26 December Federal Law No. 208 'On Joint-Stock Companies.' (Moscow ROSSIYSKAYA GAZETA in Russian 29 Dec 95 pp 3-7) (31000)

Statute On Russian Federation State Committee For Support And Development Of Small Business. (Moscow ROSSIYSKAYA GAZETA in Russian 29 Dec 95 p 13) (3500)

Statute On Russian Federation State Committee For Management Of State Property. (Moscow ROSSIYSKAYA GAZETA in Russian 29 Dec 95 p 14) (3500)

SECTION II: POLITICAL (INTERNATIONAL AND CIS AFFAIRS, ELECTIONS, CRIME, POLLUTION)

Supreme Court Plenum Decree Of 31 October, Signed By Court Chairman Lebedev And Plenum Secretary

Demidov, On Certain Questions Of Courts' Application Of Constitution When Administering Justice. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 6) (4800)

Chernomyrdin 5 November Decree No. 1109 On Use Of $2.2 Million Investment Loan From Canada To Fund Purchases Of Equipment For Soya Milk Production In Krasnodar Kray. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 1) (300)

Chernomyrdin Signed 27 November Decrees Nos. 1651 And 1652 On Advisability Of And Conditions Surrounding Solicitation Of Investment Credit From German Banks For Financing Purchase Of Manufacturing Equipment By Russian Companies Producing Automotive Electrical Fixtures. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 4) (200/200)

Yeltsin 30 November Edict No. 1203 On Approving List Of Information Classified As State Secret, Accompanied By Text Of Said List. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 pp 5-6) (50/6500)

Yeltsin 1 December Edict No. 1207 Deeming Various Acts Null And Void In View Of Adoption Of Edict On Measures To Improve Juridical Support For President's Activity, Plus List Of Acts In Question. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (250/600)

Chernomyrdin-Signed 12 December Government Decree No. 1225 On Set Of Organizational Measures To Forestall And Eliminate Emergency Situations In North Ossetia In 1996-2000. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 4) (550)

Yeltsin 15 December Directive No. 541 On Setting Up, Equipping, Funding Working Group To Investigate MIA's And Hostages On Chechen Territory. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 3) (200)

Yeltsin-Signed 18 December Federal Law No. 201 Acknowledging Loss Of Force Of RF Legislative Acts In Connection With Passage Of Law Amending RSFSR Law On Competition And Restricting Monopoly Activity On Commodity Markets. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 3) (250)

Yeltsin 20 December Edict No. 1279 On Preparing And Holding (Summit) Meeting On Problems Of Nuclear Safety In Moscow, Plus List Of Members Of Organizing Committee, Headed By Lobov (Foreign Minister Kozyrev Is Appointed Deputy Chairman Of Committee.) (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 4) (200/300)

Yeltsin-Signed 20 December Federal Law No. 203 On Changes To RSFSR Code On Administrative Abuses. (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 3) (300)

Yeltsin 21 December Edict No. 1283 Expanding Membership Of President's Commission On Rehabilitation Of Victims Of Political Repression (Removes Defunct Post Of Security Minister, Adds Justice Minister, SVR Director, FSB Deputy Director.) (Moscow ROSSIYSKAYA GAZETA in Russian 27 Dec 95 p 4) (200)

Yeltsin 27 December Directive No. 558 On Lifting FRY Sanctions. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Dec 95 p 2) (800) (Text)

Yeltsin-Signed 28 December Federal Law No. 217 On Construction Of Ingush Republic Capital Adopted By Duma 5 December, Approved By Federation Council 20 December. (Moscow ROSSIYSKAYA GAZETA in Russian 30 Dec 95 p 2) (250)

SECTION III: SCIENCE AND TECHNOLOGY

Chernomyrdin Signed 20 November Government Decree No. 1122 On Measures To Boost Output Of Medicines And Modern Medical Equipment In 1995-1997. (Moscow ROSSIYSKAYA GAZETA in Russian 28 Dec 95 p 4) (200)

Chernomyrdin 4 December Decree No. 1191 On Amendments To Government Decisions In View Of Adoption Of Law On Social Protection Of Citizens Exposed To Radiation Because Of Nuclear Tests In Semipalatinsk. (Moscow ROSSIYSKAYA GAZETA in Russian 26 Dec 95 p 6) (600)

KAZAKHSTAN

Nazarbayev Signed 22 December Law On Land. (Almaty KAZAKHSTANSKAYA PRAVDA in Russian 26 Dec 95 pp 2-5) (3000)

Regional Affairs

Chechnya Reportage: Military, Political Issues

Yeltsin Reshuffles Military Commanders

LD0301160596 Moscow ITAR-TASS in English 1427 GMT 3 Jan 96

[By Andrey Shtorkh and Mikhail Shevtsov]

[FBIS Transcribed Text] MOSCOW, January 3 (Itar-Tass) — Lieutenant-General Anatoliy Shkirko is relieved on Wednesday of his duties of the commander of temporary united forces in Chechnya and appointed Deputy Interior Minister and commander of interior troops of the Russian Interior Ministry.

An appropriate decree was signed by President Boris Yeltsin.

The president's press secretary Sergey Medvedev told Itar-Tass that the decree relieves Colonel-General Anatoliy Romanov, Deputy Interior Minister, who is now at a military hospital after a serious wound in Chechnya on last October 6, of his duties of commander of interior troops.

The headquarters of the commander of Russian interior troops said that Shkirko arrives in Moscow today.

The Russian Defence Ministry reported that Lieutenant-General Vyacheslav Tikhomirov, deputy commander of the North-Caucasian military district for combat training, was appointed to command temporary united forces which fulfill the task of disarming illegal armed detachments in Chechnya.

He commanded an army group of the Defence Ministry in Chechnya in the recent past.

Representatives from the Defence Ministry refrained from comments on the new appointment, without precluding, however, a chance that this can be connected with stepped-up activities of rebels in many areas of Chechnya.

Tikhomirov Takes Command of Federal Troops

LD0301165896 Moscow INTERFAX in English 1558 GMT 3 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 3 (Interfax) — The new Commander of the Federal Troops in Chechnya, Lt. Gen. Vyacheslav Tikhomirov has "the reputation of a decisive and highly-skilled general," a well-informed military source told Interfax.

Tikhomirov, 50 years old, was appointed to the commander of the federal troops in Chechnya by a decree of the Russian president.

"Radical changes regarding federal troops are likely to take place," the same source said. "Federal troops will begin actively disarming illegal armed formations," he went on to say.

Tikhomirov has gone through all the stages of a military career. He started as the commander of a platoon and went as far as becoming the deputy commander of troops in the North Caucasian Military District. He graduated from the Frunze Military Academy and the General Staff Academy. Tikhomirov also served in the Transdniester region of Moldova, the same source said.

"General Tikhomirov is not a freshman in the Chechen campaign. He was in charge of a group of Russian Defense Ministry troops prior to this new appointment," the same source said.

Troop Action Seen 'Changing Radically'

LD0301193296 Moscow NTV in Russian 1600 GMT 3 Jan 96

[From the "Segodnya" newscast]

[FBIS Translated Text] A report by our correspondents from Chechnya on Monday [1 January] was confirmed today when the appointment of a new federal troop commander was announced. General Anatoliy Shkirko will now be commander of the internal troops. He is being replaced in Chechnya by General Vyacheslav Tikhomirov, deputy commander of the North Caucasus military district. Tikhomirov graduated from the Frunze military academy and the general staff academy. He has served in the Dniester republic. Our correspondents met him in Chechnya.

[Correspondent] Moscow and Groznyy are still expecting the Chechen separatists to undertake some kind of serious actions aimed against the federal forces. They have been expecting this for a long time. However, although Army General Vyacheslav Tikhomirov has been appointed commander of the combined group of federal forces, and with his advent to this post the beginning of active operations against the separatists was expected, the Army and internal troops are not yet planning an offensive.

[Begin Tikhomirov recording] The nature of the actions by the federal troops is changing radically. If they used to carry out continuous combat actions, sometimes perhaps not always justified, today we have quite a different level and quality of tasks to be resolved by the federal troops. There is no task today in which the federal troops would have to fire, or in which what would be at issue would be for them to fire upon villages, or simply destroy the civilian population. At issue is only a decisive battle against gangs, armed people who plunder, humiliate, and inflict a whole host of unpleasant things upon villages visited by them. [end recording]

[Correspondent] The past 24 hours were among the calmest in Chechnya over the past several months. Incidentally, there are casualties and one killed among the military as a result of 23 armed attacks overnight. Officers of the federal forces reckon that since the troops have been marking time on the spot — that is, from the time Dudayev's men were forced into the mountains — the military have lost more killed and wounded than they would have done had active operations been carried out to destroy the formations of Dudayev supporters once and for all. Sergey Agaponov, Vladimir Fomin, Mikhail Kolosov, NTV, Chechnya. [video shows street scenes, interview with Tikhomirov, Dudayev fighters]

Soldier, Civilians Killed at Checkpoint

LD0401104196 Moscow ITAR-TASS in English 1035 GMT 4 Jan 96

[By Nikolay Zagnoiko]

[FBIS Transcribed Text] GROZNYY January 4 (Itar-Tass) — One Russian soldier and an unspecified number of civilians were killed during a Chechen attack on a Russian checkpoint near Groznyy on Thursday morning and the military qualified it as a terrorist act aimed at disrupting the process of stabilisation in the rebel republic.

Itar-Tass correspondent saw an armoured personnel carrier with Russian troops explode at the checkpoint near the Khankala settlement and catch fire. Besides the killed soldier, six other troops were wounded in the blast, which the military said was caused by a directional explosive device.

Civilians waiting at the checkpoint for transport to Groznyy were killed and wounded in the explosion as well, and several cars were destroyed.

The blast was so powerful that the engine of the APC was torn off and thrown several metres away.

Fire was opened at the checkpoint from queueing cars right after the explosion. The Russian troops returned the fire and the attackers dispersed. The chase for the militants is going on.

A convoy of Russian military trucks arrived to the place some time later and said they had been fired at while approaching the checkpoint.

No Chechen 'Armed Forces' Forseen

LD0301175096 Moscow INTERFAX in English 1558 GMT 3 Jan 96

[FBIS Transcribed Text] GROZNYY, Jan 3 (Interfax) — Chechen Military Commissioner Ibragim Suleymenov today said the present Chechen leadership had no intention to create Chechnya's own armed forces.

Law enforcement organs will be created and reinforced in every Chechen region "for maintaining law and order," Suleymenov told Interfax.

"There will be no other formations because Chechnya does not need a separate army," said Suleymenov, who was elected for the new Russian State Duma, the parliament's lower chamber.

Military construction units will be made up of conscripts in Chechnya for implementing the restoration operation, he said.

OSCE To Work With 'All Political Forces'

LD0401120096 Moscow INTERFAX in English 1028 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 4 (Interfax) — The OSCE mission in the Chechen capital Groznyy intends to cooperate with all political forces "without any exclusions," including the Chechen clergy, to settle the Chechen conflict, OSCE representative in Chechnya Tim Guldimann told Russian Justice Minister Valentin Kovalev on Wednesday [3 January].

The OSCE delegation led by Guldimann intends to leave for Groznyy, a Justice Ministry's press service spokesman told Interfax on Thursday. Also under discussion are political, economic and legal problems faced by Chechnya, he added.

Justice Minister Vladimir Kovalev believes that in Chechnya after the elections to the Duma and of the head of the republic "a new stage began with which we link our hope for stabilization of the situation," said the spokesman.

The spokesman quoted Kovalev as saying that now "the problems of observance of human rights acquire a special character." The Minister informed the OSCE representative about the actions of the courts and other law-enforcement bodies in order to restore constitutional law and order in the republic, as well as of the crimes which are being investigated, for example, in tribunals.

Guldimann has replaced Istvan Gyarmaty in the post of the OSCE representative in Chechnya.

Guldimann was born in Switzerland in 1950. He graduated from the economics and law department of the Zurich University. In the late 1970s, he worked at the Soviet Academy of Sciences. Since 1982, he has worked as a diplomat. OSCE representative in Chechnya is Guldimann's first post in this organization.

Zavgayev Interviewed on Current Issues

MM0401110896 Moscow ROSSIYSKIYE VESTI in Russian 4 Jan 96 p 2

[Interview with Chechen President Doku Zavgayev by Pavel Anokhin; date and place not given: "Doku Zavgayev: Ideologists in Favor of Dividing Up Chechnya Will Not Be Successful. Head of Chechen Republic Meets With ROSSIYSKIYE VESTI Correspondent and Wishes Russian Citizens Peace and Prosperity, Expressing Hope That Conflict in Chechnya Will End Once and For All"]

[FBIS Translated Text] [Anokhin] Doku Gapurovich, a Treaty on the Demarcation of Powers Between Federal

Organs of Power and Chechen Republic Organs of State Power is being drafted. As you know, it is envisaged that Chechnya will have special status within Russia. What is that status?

[Zavgayev] First and foremost I would like to stress that it will not contravene the principles of Russia's federal system and completely fits in with the concept of regional autonomy. The Chechen Republic's special status does not jeopardize Russia's territorial integrity or its defense and financial system. However, it does reflect the Chechens' historical experience and the new political state of the country. Thus, Chechnya will be able to establish direct economic and culture ties with states in both the near and far abroad and open missions there. It is already preparing to open missions in Almaty and Bishkek.

Special approaches to our young people of draft age are being discussed. New recruits from Chechnya will serve in the republic — in military-construction detachments and other formations.

A good example of Chechnya's special status may be the Russian president's edict on legal guarantees for members of the illegal armed formations who have voluntarily surrendered their weapons and who have no blood on their hands. The Russian Federation President has delegated some of his powers to the Chechen authorities.

[Anokhin] You were elected head of the republic, what powers does this post entail?

[Zavgayev] It was instituted by the republic's Supreme Soviet and its powers are laid down by the law on the head of the republic and are monitored by the legislative body.

I have been elected for a two-year term. Elections to the People's Assembly will be held in a few months and it will determine once and for all the legal aspect of the matter. The post makes it possible to step up executive power in the republic and promotes the stabilization of the situation, the attainment of peace, and the economic and social revival of Chechnya.

The head of the Chechen Republic is the state's top official and represents the republic in the Russian Federation's supreme organs of power. Mindful of the need to promptly tackle economic issues, restore the national economy and the social sphere, and defend human rights I have been granted the right to establish a government structure and appoint and dismiss members of the government and other executive officials. A strong executive has always been set up in the history of any state after highly complex crisis situations.

[Anokhin] How do you see Dzhokhar Dudayev's status? Are you ready to hold talks with him?

[Zavgayev] I personally am not involved with Dudayev but I see him as a citizen of the republic. And I see him as having no other status at the moment.

As for talks I have always stated openly that I am willing to hold talks with anyone in order to secure peace.

[Anokhin] Of late there has been a great deal of talk about the possibility of dividing Chechnya in two. This was even predicted by Ruslan Khasbulatov....

[Zavgayev] Everyone is familiar with Ruslan Khasbulatov's role in both Russia and Chechnya.

I would like to say to those people in favor of dividing up Chechnya that they will not succeed. The republic will not be divided — the people will not allow it. We have had enough of the artificial division of Checheno-Ingushetia, which brought nothing good for a single ordinary Ingush or Chechen.

[Anokhin] Might a state of emergency be introduced in Chechnya?

[Zavgayev] I do not think that there is any need for that. In Chechnya we are dealing with a local conflict that is already on the wane. The elections have shown that the people were resolutely opposed to those people trying to set the Chechen people against Russia and fuel interethnic enmity.

Zavgayev Interviewed on Developments

MK0401122696 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 4 Jan 96 p 2

[Interview with Doku Zavgayev, head of the Chechen Republic, by Yuliya Kalinina: "A Comeback. Doku Zavgayev: 'I Didn't Fall Out of a Tree'" — place and date not given]

[FBIS Translated Excerpt] [passage omitted]

[Zavgayev] Now, I think, one ought to talk about things that could speed up the establishment of peace and accord. We, for one, have adopted a completely new scheme for a settlement in the Chechen Republic. Before us, the current leadership, talks were held between the federal authorities and the so-called Dudayev side. No one was talking with the people. We have changed it all. Now the entire negotiating process is oriented toward the people, because it is precisely among the people that there is a lack of unity. Take Urus-Martan... [passage omitted]

[Kalinina] As regards armed formations — how are you going to reach agreement directly with them?

[Zavgayev] We will reach agreement with them, too. We have persuaded the president to issue an edict on amnesty. Those who want to live in peace and accord (and nearly everyone over there wants that) must use this edict. This goodwill gesture, which gives them the right, while saving face, to return to the fold, to their families, and to get down to doing creative work, not walking around with submachine-gun magazines in the mountains in their native Fatherland! This is an abnormal situation! How can a person armed to the teeth walk around in a civilized society among normal people? How?!

[Kalinina] Sure. For this very reason I would like to ask you a question concerning the stay of Russian troops in Chechnya. People in Russia are very much displeased with the fact that three or four soldiers get killed every day in Chechnya.

[Zavgayev] But the displeasure is gaining ground not so much in Russia, but, rather, in Chechnya itself. The first victim one should talk about is the Chechen people. The first and foremost victim of this four-year-long reckless adventure is the Chechen people.

Chechen villages are now encircled with cemeteries whose size is larger than that of a village itself. This is what should be spoken about. They died at the hands of these bandits, were killed by the nationalist psychosis they whipped up, by separatism, by the robberies and plundering to which the population has been subjected. As for soldiers, they are also our citizens, our compatriots, our children, brothers and sisters, and in this regard one should not separate them...

[Kalinina] But, Doku Gapurovich, everybody is very much concerned about the fate of the soldiers. The army command, too, says: Either let us destroy the Dudayevites or let us withdraw the troops. There is no going on like this — with several servicemen being killed every day.

[Zavgayev] We should search for peace. We are searching for it and finding it. A civil reconciliation is under way — this is what should be noticed and propagated.

[Kalinina] Okay, so when will it be possible to withdraw troops from Chechnya?

[Zavgayev] We will withdraw them as soon as the situation is ripe.

[Kalinina] That is, you cannot say when? Well, in a year, in two, three years?

[Zavgayev] No one knows this. Everything will depend on how the situation will proceed to stabilize.

[Kalinina] Are you yourself pleased with the way Russian troops behave in Chechnya?

[Zavgayev] I would like to avoid this subject. What do you mean, "pleased" or "not pleased?" This is a special subject — for those who are in the know. The troops are performing their part. They were ordered to stay, so they stay. If they are ordered to go, they will go.

[Kalinina] Witnesses have emerged who say that political oppression began in Chechnya upon your coming to power.

[Zavgayev] It is the first time I have heard about that.

[Kalinina] In Groznyy, OMON [Special Purpose Militia Detachment] members have beaten distributors of the newspaper KAVKAZ and destroyed its entire print run. In addition, the coordinator of the Roundtable of Chechen Parties has been arrested. Other members of this organization's contact group have also received threats from representatives of your administration.

[Zavgayev] I am also hearing about this for the first time. As soon as I return home I will make inquiries as to who is doing that and where — for political reasons — over there... Where could one get such an idea?

[Kalinina] From the editor of the KAVKAZ newspaper.

[Zavgayev] Then he is a rascal. Because only a rascal can toss around such political labels — regarding oppression. It seems that an uneasy conscience betrays itself. There must be something to hold him responsible for to the people and to the authorities. You should just go back to the chronicle of 1991 and 1992 — apparently there is something to be held responsible for. And this time will come, because there are tens of thousands of people who have been killed and maimed, burnt cities and villages — those responsible must be brought to account for that.

[Kalinina] That is, you are planning to take some harsh, oppressive measures against those who toppled you in 1991?

[Zavgayev] It is not me, it is the people who are planning.

[Kalinina] Then you think that the time will come when the Chechens will begin settling scores with each other?

[Zavgayev] I did not say that.

[Kalinina] You said "the people are planning."

[Zavgayev] The people have a good memory... A newspaper editor! Such an authority! [passage omitted]

[Kalinina] There are also positive things, of course.

[Zavgayev] This is what one should talk about. We have one and the same Fatherland, after all. We have a single country and there is nothing to split here

— this is for Chechnya and this is for Russia. We signed an agreement even before the elections — the Chechen Republic has a special status within the Russian Federation. So however hard anyone might try, it cannot be done otherwise. The vote confirmed that. I wish you saw those days in Groznyy — the bright faces of people, women and children heading for the polling stations.

[Kalinina] As for me, I was there, and I cannot say that the situation was so unequivocal. Of course, lots of people support you...

[Zavgayev] A total of 68 percent turned out for the election and 95 percent cast their votes for me.

[Kalinina] Yet there were lots of people who did not vote and did not want to do so.

[Zavgayev] Well, this is up to them. [passage omitted]

[Kalinina] How has the situation changed now that you have become a popularly elected head of the republic? Do you have more rights now?

[Zavgayev] What do you mean "more rights?" I was elected by the people. Before that I was appointed by the republic's Supreme Soviet, and now I have a popular mandate.

[Kalinina] Did the Russian president turned some of his powers over to you?

[Zavgayev] Yes, with regard to amnesty. We set up a commission and I am the chairman of this commission. Our decision is final — if we acquit a member of the illegal armed formations, then no criminal action may be brought against him on Russian territory. This presidential right was for the first time in world history turned over to our republic. The president turned this right personally over to me.

[Kalinina] And what if Dudayev comes to your commission, will you amnesty him?

[Zavgayev] When he comes, then I will answer your question. There have been no applications from him as yet.

[Kalinina] How do you assess the level of physical danger for you personally?

[Zavgayev] Well, no one is insured against that over here.

[Kalinina] You prefer not to think about it?

[Zavgayev] This is not my jurisdiction. I am not a loner who "fell off a tree," as the Chechens would say. There are people to take care of me over there. [passage omitted]

Minister Urges Early Parliamentary Ballot

LD0401114996 Moscow INTERFAX in English 1028 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 4 (Interfax) — What Chechnya needs most is an early parliamentary ballot, Vyacheslav Mikhaylov, minister for nationalities and regional policy declared, warning against a big time gap that may come about during the formation of republican bodies of power following the election of Chechnya's head of state on December 17th.

Welcoming the Chechen leader Doku Zavgayev's proposal to hold parliamentary elections in March-April this year, Mikhaylov noted that public accord was absolutely indispensable for that. "Public accord will require a lot of serious work at the level of 'round table' parties and republican movements," Mikhaylov said, noting that "only after parliament has been elected in Chechnya and after all structures of power have been set up, can Russia and the Chechen Republic can sign a proper treaty, delimiting powers between them."

However, hawks in Chechnya have been trying hard to slow down this peace process by terror and other means, Mikhaylov said, adding that the recent events in Gudermes, seized by a group of Dudayev's supporters, was an attempt to derail the peace process in the republic even at the cost of civilian lives.

'Bashlam' Movement Head Interviewed

MK0401133596 Moscow NEZAVISIMAYA GAZETA in Russian 4 Jan 96 p 3

[Interview with Salambek Maigov by Ilya Maksakov: "New Public Movement Created. 'Snow-Covered Peak' Wants To Be Visible to Entire Russia"; first paragraph is introduction]

[FBIS Translated Text] The recently created Chechen "Bashlam" sociopolitical movement is among those opposing the elections held in Chechnya and the earlier agreements on delimiting powers between the Russian Federation and the Chechen Republic. The movement's chairman, Salambek Maigov, has described this organization.

[Maigov] The founding congress for our movement was held last September. "Bashlam" is "a snow-covered (or hoary) mountaintop" in Chechen; this is a sacred symbol in the Caucasus embodying such eternal values as wisdom, pride, and greatness. There are rival leaders in the republic today; there is also a warring side they call the Dudayevites. We disagree with such a formula. It is the people who are waging war; it would have been asserting its right to live even without Dudayev. The founders of the movement were Chechens, but owing to the fact that the situation in Chechnya is a shared problem, we have set the task to consolidate not only the 400,000-strong Chechen diaspora in Russia outside Chechnya but also all the social organizations and ethnic movements which share our view on settling the conflict. Today, we have 50 regional branches.

[Maksakov] Do they consist of Chechens outside Chechnya?

[Maigov] This is so in many Russian cities. But, for example, in Tatarstan, the "Bashlam" branch mainly consists of Tatars who are members of the public parliament and the "Ittifak" and the "Vatan" parties. The Caucasus, naturally, is represented by all the indigenous nationalities. For example, our movement incorporates virtually all active members of the political council of the Confederation of the Peoples of the Caucasus, which is now going through hard times. The creation of the movement was positively assessed by Yusup Soslanbekov, Aslan Maskhadov, Khozh-Akhmed Yarikhanov, Chechen elders, and field commanders.

[Maksakov] Chechnya already has many political associations whose views are similar to yours: They are the "Roundtable" and the Assembly of the Chechen Republic of Ichkeria. Why yet another one?

[Maigov] Ninety-nine percent of them are regional organizations inside Chechnya. Some associations of Chechens created in Moscow pursue the ends of limited groups. The Chechen people's problem should be approached from the point of view of entire Russia, I would even say, from the point of view of all Europe because the situation also calls for intervention by international agencies. The so-called elections and, in general, all actions connected with consolidation of the pro-Russia authority are setting the task of turning the Russia-Chechnya conflict into a Chechen internal strife, where the Russian army should act as an arbitrator — this is very convenient and advantageous. Precisely as a political organization, we intend to find a solution that would satisfy all sides in the conflict so that the people would stand to gain.

[Maksakov] What are you going to do first?

[Maigov] It is necessary to conduct summit talks with the forces of resistance, but they should not be of a military nature as before. Above all, the work of the conciliation and supervision commission should be resumed. The military questions of disarmament and troop withdrawal should be discussed through a political dialogue emphasizing the main points: Russian troops withdrawal, turning the Chechen Republic into a demilitarized zone, and independent and voluntary disarmament and disbandment of armed formations. It is unrealistic today to demand that arms should be laid down, say, inside one month. The decision on a future leader should be made by the people in free democratic elections with all interested sides taking part, but without any influence of the federal troops and, necessarily, under the supervision of international commissions. I am confident that the Chechen people would make a sensible choice. Now, however, everything is in the hands of the Russian leadership. In this connection, we are planning to actively join in the Russian sociopolitical life and take part in the presidential election. Naturally, being an ethnic minority, we would like to see at the helm of Russia people who proceed from international norms and human rights. Today, a former oblast [Communist party] committee first secretary who defended the CPSU, who spoke against electing the Russian president in June of 1991 and supported the attempted coup plotters in August [1991], has been sent by this same president on his way to Chechnya with kisses.

[Maksakov] Once you become involved with politics, you cannot help but take heed of some political forces. It is clear who your opponents are. Who are your supporters?

[Maksakov] We are going to work primarily together with Yavlinskiy's bloc. We like it that he cited the war in Chechnya among the first questions to be considered in the new Duma. We are already holding consultations regarding this. We also hope for cooperation with "Russia's Democratic Choice" and the Economic Freedom Party. Speaking of persons, we find Arkadiy Volskiy's stance congenial.

Komi Loses RTV After 'Seizure' by Unknown Broadcaster

LD0301184396 Moscow Russian Television Network in Russian 1700 GMT 3 Jan 96

[From the "Vesti" newscast]

[FBIS Translated Text] Today, inhabitants of the Republic of Komi were deprived of the opportunity to watch the Russian Television channel. It is received here by satellite link. Our correspondent Yevgeniy Kuznetsov has learned from reliable sources that the broadband channel (stvol kanala) has been occupied by a hitherto unknown television broadcasting station. Military space and other communications services have been called in to investigate the incident. However, there are no results yet. It is not ruled out that this seizure (zakhvat) has been carried out with the knowledge of the Ministry of Communications of Russia. Specialists claim that state-of-the-art equipment makes it possible to locate (zasech) the seizure of the channel in five minutes and also to suppress an unsanctioned signal.

Perm Governor Kuznetsov Hands in Resignation

LD0401094996 Moscow ITAR-TASS in English
0834 GMT 4 Jan 96

[By Leonid Bogdatyev]

[FBIS Transcribed Text] PERM, January 4 (Itar-Tass) — Head of the Perm Regional Administration Boris Kuznetsov has today addressed his resignation to President Boris Yeltsin.

Although the complete list of members of the State Duma, who won parliamentary mandates for their parties and movements during the recent elections, has still not been published, the Perm Governor, who ran for election from the "Russia is Our Home" movement, has received a telegram from Nikolay Ryabov, Chairman of the Central Election Commission, congratulating him on the New Year and containing a reminder that he should choose between his two posts — administrative and parliamentary (the law forbids one person to hold two posts). In addition to the "Russia is Our Home" movement, seats in the new State Duma were won with the help of Perm electors by some representatives from the Liberal Democratic Party of Russia and the Communist Party of the Russian Federation.

Analysts believe that the initial date of the Perm governor elections — December 1996 — which was earlier fixed by the Regional Legislative Assembly, could now be altered. It is quite possible that they will be held parallel with the June presidential elections. It is planned to simultaneously hold elections to regional local self-government bodies.

Chuvashia: Presidency Retained, Government Reshuffled

MM0401123196 Moscow PRAVDA in Russian
4 Jan 96 p 2

[Report by Aleksandr Belov: "Organizational Conclusions After the Elections"]

[FBIS Translated Text] Cheboksary — Chuvashia's referendum on the advisability of the republic keeping the post of president has added more than a dash of pepper to the election menu. Right up until the very last moment it was not clear whether there would actually be a nationwide poll on the matter. The results were not published for several days after the vote.

Then, finally, the republic's Central Electoral Commission announced that supporters of President N. Fedorov had won the vote by a margin of 0.4 percent. But even the president's opponents were not terribly disappointed. They had managed to secure victory on another front — in the additional elections to the Chuvash parliament. Last summer, N. Fedorov succeeded in stripping his most consistent opponents, the Communists, of their powers as deputies via the Russian Constitutional Court. Now virtually all of them have returned in triumph to the Chuvash State Council.

The results of the vote are being carefully studied not only by the electoral commissions, but also by power structures. The first organizational conclusions have been drawn. Chuvash Prime Minister Enver Ablyakimov, who led the local branch of "Russia Is Our Home," has made the tough decision to dismiss several high-ranking government officials. The irritation felt by the chairman of the cabinet of ministers is understandable: He was top of the regional party list. But "Russia Is Our Home" could not even get 5 percent of the vote in Chuvashia. Although so much effort went into the campaign! Six tonnes of colorful posters with familiar themes were shipped into tiny little Chuvashia. But all to no avail. Because one-third of the electorate voted for the Communists. So now those leaders who failed to channel the people's will in the right direction have incurred a heavy penalty.

Tambov Oblast Governor Ryabov Interviewed

MM0401101296 Moscow SOVETSKAYA ROSSIYA
in Russian 4 Jan 96 p 1

[Interview with Aleksandr Ryabov, head of the Tambov Oblast administration, by Zhanna Kasyanenko; date and place not given: "Governor's Red Mandate" — first paragraph is introduction]

[FBIS Translated Excerpt] In the unforgettable year of 1991 Aleksandr Ryabov, chairman of the Tambov Oblast Soviet Executive Committee, was dismissed for supporting the State Committee for the State of Emergency. Many bright heads flew at the time in the country, which the country and the people inhabiting it probably regretted more than once. But the Tambov people were steadfast in their sympathy and faith: They did not leave the chairman to be eaten alive, they elected him leader of the soviet. But even here he did not manage to avoid political cataclysms. Take any decent person you know — who has managed to avoid cataclysms in the past four years and not be ground down by the millstones? In 1993 Tambov Soviet of People's Deputies headed by the chairman was one of the first to be disbanded in the country as failing to support edict 1400. At the time Ryabov was categorized in general as a plotter: He was charged with arming people in his soviet and sending them to defend the House of Soviets. And now Aleksandr Ryabov is one of the "red" governors for whom people voted. Not appointed but elected by the people. [passage omitted]

[Ryabov] Where shall we begin? First of all we must ascertain where we are and calculate the degree of decline, so to speak, for all parameters without exception. We set 15 days for that. The main thing now is to determine what sectors can produce a rapid turnover of money which will happen primarily on our own, local, market. When that handle turns we shall go further. And I am sure it will turn. We have so many unemployed working hands and so much to do! For housing alone a huge amount is needed. After all, today we have an absolutely fantastic waiting list for apartments, unheard of in former times. There are 4,000 retired military men alone. In addition there are 2,000 who are serving and who have been transferred and sent to an empty field from the Western Group of Forces, from other parts of our — forgive the expression — CIS.

[Kasyanenko] You are an experienced economic manager. There is a fear that you are attracted by that aspect of the matter and that you will invest every ruble earned in production and that Tambov Oblast taken on its own will reproduce the model of socialism which has not withstood the onslaught of the "reformers" in our country when more funds were earmarked for production than for the satisfaction of people's needs.

[Ryabov] You are wrong there. An experienced economic manager is distinguished from a populist or production fanatic by the fact that he understands that people are the main resource. Without them not a single shop will come to life, not a single ear of grain will emerge. But what have they done to our people, will you look? Some 19 percent of children —nearly one fifth of the people — are sick, are born handicapped and weak. Some 60 percent of young boys are unfit to serve in the army. I do not mention how much people drink today. So the first social program which will be implemented in the oblast is the "childhood" program. It includes aid for large families and medical and other aid — free of charge! — for pregnant women. Of course there are subsidies for children's institutions, catering in schools, kindergartens, and children's homes. There are subsidies for teachers of all kinds. The teacher must think about the children, not about a piece of bread for the next day. After all, our teachers are also impoverished, like the entire country. No, for that I shall make everyone turn like a squirrel on a treadmill. Childhood is the first and most important thing. What is threatened — handicapped children, hungry mothers, teachers on strike — is the end of the nation.

[Kasyanenko] But with the aid of what will you force people, Aleksandr Ivanovich. After all, you are not an oblast committee secretary, you can no longer shout: "Put your party card on the table!" Is that not so?

[Ryabov] But how have you decided that shouting was the only method in the CPSU? It was those who shouted like that who finished off the cause. No, there was something else — work with cadres. It must be said that the former oblast committee secretaries who set themselves the aim of destroying the country knew and handled this technique excellently. They knew the cadres with whom they could embark on this business. They spent a long time choosing them painstakingly. But we also have some experience. Thank god we did not only raise destroyers in the country. You cannot even imagine how many good, experienced leaders and organizers we actually have! It is another matter that they were driven to the back of beyond, dispersed among the banks and commercial structures, and forced to work to no effect. I know them all, I know the potential and possibilities of these men with whom I have worked step by step, year after year. Who they are now is of no importance to me. I need men of action, not talkers.

[Kasyanenko] Anyone who has managed to privatize a lot and tasted the new life, the "communism for the elite," will hardly respond to your call to join the time and work himself to the bone again.

[Ryabov] You think I will summon them all unselectively? There will be selection. But what kind of selection? A legal selection. Incidentally, that is also one of the main components of the analysis of matters with which we shall begin. Yes, I am in favor of a mixed economy, of different forms of ownership. If you have a private firm sowing shoes and you deliver your output to the oblast market — then good luck to you. If you are director of a meat processing factory and the factory is under collective ownership and people with you receive a regular wage and have social protection and feed half the city with their output — then for god's sake, continue in the same spirit! But if you have taken something illegally, thus hurting thousands of other people — then you will be dealt with according to the law. And only according to the law.

But you are very wrong if you think that the opportunity to steal and to get rich quick is so attractive to people of the caliber of which I am thinking and whom I shall use to create my team. No, however they may try to convince us otherwise, the main value for someone who has had a taste of real work, who is a class specialist and a professional in his field, still remains his work. With an appropriate reward, of course.

Moreover, I already know these people and I have talked with many of them and found confirmation for our hopes. But, naturally, I shall not name anyone yet. It will be hard. But if people support us and they will support us only if we do not deceive them, then we shall cope. Without fail.

Economic Issues

Trading Houses' Collapse Linked to Reduced Inflation

MM0401120096 Moscow IZVESTIYA in Russian 4 Jan 96 p 4

[Article by Yelena Yakovleva: "Why Are Shelves Empty in Well-Known Moscow Trading houses?"]

[FBIS Translated Excerpt] An acquaintance of mine called me in a panic: I went into the "Mikrodin" trading house to buy batteries but the shelves were bare. What is the meaning of this?

When domestically produced butter disappears we get mad but not scared. Because we know from experience that it is in the nature of domestically produced goods to disappear from stores. But it is something new for imported goods to be absent from shelves especially in commercial outlets.

Meantime, the second half of last year became for many well-known Moscow trading houses a time when the shelves were constantly bare. Several of them — "Mikrodin" and "Olbi" — are already having their epitaphs written behind the scenes in the economic world. Earlier still there was the collapse in April of the "Erlan" trading house, which was widely known owing to its advertising campaign and later owing to the disappearance of its owners.

Although in the one case the public revels in a piquant mixture of envy and spite, in the other they feel a mixture of sadness and bewilderment over the alleged ever-increasing wealth of the "speculators and wheeler-dealers," when it seems that the "speculators and wheeler-dealers" themselves are not having things so easy. This is all the more surprising as all over the world in the most diverse economic conditions, commerce, as a rule, remains a highly profitable enterprise. And the well-known trading houses usually flourish.

So what is happening to our now celebrated trading houses? [passage omitted]

Doctor of Economic Sciences Vladimir Mau (of the Institute for the Economic Problems of the Transitional Period) considers that the reasons for the shaky position of Moscow's major trading houses are linked to general phenomena in the country's economic policy and in particular to the approach of economic stabilization. The latter is inevitably accompanied by a collapse of banks and commerce. We have already observed the former during the banking crisis, and the latter is, most likely, still to come. The fact of the matter is that banking and commerce are the only areas which do not become ineffective when there is high inflation. And stopping it (the Russian Government is despite all criticism still maintaining an anti-inflationary policy) usually derails the banking and commercial institutions that are used to working with "very mobile capital."

Vladimir Mau considers that something similar happened in Britain when a whole generation of young people, who during the years of the Thatcher boom had acquired the effective but narrow practice of living exclusively off financial speculation, suddenly found themselves simply "thrown overboard" economically.

The banking and commercial sectors are, of course, also effective when there is low inflation, but this is a completely different kind of effectiveness which is achieved by different means, and many of our bankers and traders do not have experience of it.

It turns out that high inflation is not only liked by the communists but a section of banks and certain trading houses also have an interest in it. This interest may also have had an effect on the election results.

In Vladimir Mau's opinion the second generation of rich is at present being replaced in Russia. The first acquired money at commodity exchanges, playing on the difference between state and free prices. As soon as Gaydar's reforms canceled out this source of easy profits, the commodity speculators Borovoy and Milyukov became economic nobodies. Now the second generation of "new Russians" is leaving the stage — that is the leaders of banking and commercial structures who had gotten used to financial speculation in conditions of high inflation.

People with different experience and values are coming to the fore in the economic sphere.

The fact that "Roditi" has stood firm may actually be a sign that it has different experience and values, inculcated in it by its Western "parent". ["roditi" is old word meaning "to give birth"].

New Tax Law Intended To Stimulate Private Initiatives

LD0401105096 Moscow ITAR-TASS in English 1045 GMT 4 Jan 96

[FBIS Transcribed Text] MOSCOW, January 4 (ITAR-TASS) — The law to simplify the taxation system applied to small businesses and to facilitate their accounting, which was recently signed by President Yeltsin, pursues the purpose of creating favourable taxation conditions for small-size enterprises and establishing a system for the state stimulation of private initiatives, the

Presidential Press Service reported today. The law was approved by the State Duma on December 8, 1995, and endorsed by the Council of the Federation on December 20, 1995.

The organisations, covered by this law, says the Press Service report, which ITAR-TASS received today, will now have to pay a single combined tax instead of the previous federal, regional, and local taxes. This tax will be calculated on the basis of the results of their business activities.

The existing rules for paying customs duties, state tariffs, licence fees, social deductions, and taxes for purchasing motor vehicles shall remain in force.

Instead of paying income taxes, people engaged in business activities shall now have to buy a patent permitting them to do it.

Record Military Hardware Sales Seen on World Market

MK0401075396 Moscow SEGODNYA in Russian 30 Dec 95 p 3

[Report by Vladimir Sergeyev: "'Rosvooruzheniye' Increases Expansion on World Market. Military Equipment Export May Fetch Country $6 Billion Before Century End"]

[FBIS Translated Text] This year, Russia has earned $2.7 billion from trade in arms and military equipment ($1.71 billion in 1994). Out of the sum, $1.75 billion falls on the now steady buyers: India, China, Kuwait, the United Arab Emirates, and Vietnam.

According to expert assessment, Russia may earn, before the end of this century, at least $6 billion from arms and military equipment trade by orienting itself primarily toward the promising markets in the Near and Middle East, as well as in Southeast Asia.

While delivering arms and military equipment, Russia is trying to provide for their servicing as far as it can. For example, Russian servicing centers for MiG-29 aircraft will be organized in India and Malaysia; construction will start in Kuwait of a plant to repair BMP-3 infantry fighting vehicles.

The tangible successes in putting Russian armament on the world market have been achieved thanks to the policy followed by the "Rosvooruzheniye" State Company for the Export and Import of Arms and Military Hardware not only abroad but also inside the country, where it cooperated with a number of Russian banks in providing credits from the latter to enterprises of the Russian military-industrial complex under the company's guarantees. The sum of credits has reached $218 million.

I would like to note that the execution of successfully concluded contracts has saved a number of military-industrial complex enterprises (the Kurgan Machine-Building and the Ulyanovsk Engineering Plants).

According to information from knowledgeable sources, the start of the next year is supposed to be marked by the signing of two contracts drawn up by "Rosvooruzheniye" worth a total of almost $1 billion. One of them is with India.

'Menatep' Gains Controlling Share of 'Sibneft'

MK0401101196 Moscow SEGODNYA in Russian 29 Dec 95 p 1

[Report by Olga Romanova under the "Tender" rubric: "1995 Loans-for-Shares Saga Is Over. 'Menatep' Underwrites a Loan to the Government Secured by 'Sibneft'"]

[FBIS Translated Text] Yesterday the "Oil Finance Company" [NFK], a closed-end joint-stock company that has hitherto been absolutely unknown to anybody, won the controlling block of shares of "Sibneft," one of Russia's largest oil companies, in exchange for a loan to the government worth $100,300,000. The NFK's rival at the loans-for-shares auction was the "Tonus" company, whose representatives were easily recognized as the winners of the investment tender and loans-for-shares auction in which 78 percent of the "Yukos" oil company were at stake and as participants in a number of other similar auctions, supported by "Menatep" bank guarantees. Boris Berezovskiy, head of "LogoVAZ," who modestly introduced himself as the winner's consultant, followed the evolution of events at the auction with lively interest.

The NFK acted as part of a group of bidders that included the Stolichnyy Savings Bank as creditor and the NFK itself as commissioner. Since this collective participant in the auction also had a guarantee underwritten by "Menatep," the outcome of the "struggle" had no crucial importance for the bank.

Despite predictions, actual oil companies did not lay claim to the block of "Sibneft" shares ("Rosneft" or "Surgutneftegaz" were expected to participate in the auction). Other bidders showed up, however — the Samara Metallurgical Company (SAMEKO), controlled by Inkombank, and Inkombank itself, but they were never allowed to make their bids.

Inkombank's application was rejected according to a repeatedly tested scandalous scenario: Its documents were allegedly submitted too late, the signature on its bank guarantee raised doubts, and — most important — the underwriter — Mosbiznesbank — does not have sufficient funds to underwrite the starting price of a lot (it had only $93 million, not $100 million). SAMEKO 's application was turned down under much more juicy circumstances. SAMEKO's general director hastily recalled the company's loan proposal for unknown reasons, so SAMEKO representatives were completely at a loss about his reasons for the demarche. Characteristically, the auction commission, the Federal Bankruptcy Administration, and Inkombank never reached agreement on whether or not SAMEKO owes anything to social funds (which disqualifies a bidder from participation in an auction), and if it does, then how much.

As for the long-suffering loans-for-shares auction featuring a 15-percent block of shares of "Nafta-Moskva," the largest oil trader, there was nothing surprising there. "Nafta" in tandem with the "Yunibest" bank gained the upper hand over its branch, "Nafta-Fin," by a margin of $10,000 (the starting price of the block of shares was $20 million). Both bids were underwritten by ONEXIM Bank.

Yesterday's loans-for-shares auction marked the last stage of implementation of the presidential edict on generating privatization proceeds for the state budget in 1995 and the "first loans-for-shares baptism" for Sergey Belyayev, head of the State Property Committee, who has just returned from his leave. Quite possibly, the practice of such auctions may be continued next year, but it is unclear by whom and on what scale.

Economist Sees Radical Reform Vital to Recovery

MM0301153396 Moscow FINANSOVYYE IZVESTIYA in Russian 22 Dec 95 p 2

[Article by Institute of Economic Analysis director Andrey Illarionov: "The Nature of the Reforms Dictates the Pace of Economic Recovery" — received via Internet]

[FBIS Translated Text] In terms of the pace and depth of the ongoing economic reforms and in terms of the nature of the economic policy they have been applying the former Soviet republics can be divided into two groups.

The first group includes the countries that have rapidly achieved macroeconomic equilibrium, full-scale price liberalization, opening up of the national economy to the world market, a sharp reduction in subsidies and concessions, elimination of the budget deficit, have made firm efforts to drive down inflation and bring domestic prices closer to world prices, have achieved a stable rate for the national currency, liberalization of economic legislation, and implementation of large-scale institutional transformations — privatization, agrarian reform, vigorous restructuring of production, encouragement of savings, and a massive influx of home and foreign investments into real projects. As a result these countries saw the start of a rapid transition to steady and stable long-term economic growth on a noninflationary basis and people's living standards started to improve. This strategy of radical comprehensive economic reform was called "shock therapy." It was in Estonia and Latvia that they started and are continuing to implement the most drastic and consistent reforms of this type.

In contrast to them the countries of the second group have been conducting much more gradual reforms. Internal liberalization has been a "stage-by-stage" affair, and from time to time they have reverted to administrative control in the form of licensing, quotas, and conclusion of agreements between sectors. The apparent opening up of the economy was delayed by keeping or introducing additional export and import duties, quotas, and other nontariff restrictions. In many sectors of the economy and at various levels of authority (national, regional, local) state control of pricing was retained, which guaranteed that subsidies remained, and, consequently, the budget deficit as well. The numerous sector and regional concessions prevented the formation of a single economic area, as was constantly demonstrated by the sudden shortages on the commodity and services markets. The national currency rate declined steadily.

This toned-down, so-called "humane" economic policy option kept inflation high for a long time, slowed down structural transformations, prolonged the production decline and increased its scale, initially curbed the growth of unemployment, which then, though, straight away became chronic, and kept the old administrative structures from being swiftly destroyed. As a result this policy enabled the old bureaucracy to survive and gradually adapt to the altered conditions and prevented radical structural transformations, rapid growth of savings and investments, the start of steady economic growth, and an improvement in people's living standards. This policy has been most strikingly manifested in recent years in Ukraine and Belarus.

Against the background of these extreme economic policy options the option that was implemented in Russia was distinguished primarily by its extreme inconsistency.

In the first half of 1992 Ye. Gaydar's team began a most radical and comprehensive economic reform in Russia. Prices and foreign trade were liberalized, the budget deficit was reduced, and credits for the economy were reduced. As a result the stores were pretty swiftly filled with food, the most acute manifestations of commodity shortages were overcome, and the inflation rate began to slow. Over a period of six months the ruble rate rose and the level of pay in dollar terms rose six times over and exceeded $43.

By summer 1992 through the efforts of the former Supreme Soviet, the country's supreme executive authorities, and the opposition within the actual government, these reforms were halted. Attempts were made to restore centralized pricing and the budget deficit rose sharply. Mass provision of credits for the economy began, which brought the country to the brink of hyperinflation. The ruble rate fell four times over during the six-month period and average pay in the country fell to $26 per month.

It was not until spring 1993 that this backward step was halted — following the April referendum. (In the latter half of 1993, after Ye. Gaydar and B. Fedorov returned to the government, significant new successes were achieved in reforming the country's economy. Economic liberalization continued. The budget deficit was placed under tight control and Central Bank credits were severely restricted. As a result the inflation rate fell over the year from 26 to 4.6 percent per month and the ruble rate stabilized. Average pay quadrupled — to $94 in November and $114 in December 1993.

But after the two vice premiers left the government in January 1994 the authorities reverted to the former populist policy. As far as economic reforms are concerned 1994 was a complete washout. The budget deficit rose again, Central Bank credits reemerged, and again average monthly inflation leapt to 17.8 percent in January 1995. The ruble rate began to fall and average pay in the country in dollar terms remained at the same level for 18 months — around $90.

The attempt at financial stabilization made this year, 1995, was by nature moderate, and therefore its results were very moderate. The marked reduction in the budget deficit compared with the previous year and the total cessation of credit provision by the Central Bank led to a fall in the rate of inflation only to 4.5-4.7 percent per month, that is, it returned to the level that had been reached 12-18 months previously, but not to the achievement of financial stabilization. They did manage to limit fluctuations in the currency rate, but average pay in dollar terms rose by only 40 percent — to $140 per month. In rubles the population's real incomes fell by 12 percent.

Ukraine's experience clearly shows what a mess Russia might have gotten into if it had carried out the slow reforms the opponents of "shock therapy" are so fond of talking about. In the past four years the average annual level of the budget deficit in Ukraine — 14.1 percent of the GDP — has been nearly 50 percent higher than the Russian indicator of 10.4; average monthly inflation in Ukraine is ahead of the Russian rate — 23.9 percent compared with 17.4. Unprecedented subsidies and multilateral offsetting of debts failed to save Ukrainian industry and agriculture. But because of the continuing financial instability the aggregate decline in the GDP over the four years in Ukraine was steeper than in Russia — 46.7 compared with 34.5 percent. The Ukrainian citizen's average pay in dollar terms, which was slightly ahead of Russian indicators both in December 1991 and even in June 1992, fell to one-ninth of the Russian level during the period of Ukrainian hyperinflation, fall 1993. The switch to a more judicious economic policy in fall 1994 meant that pay increased six times — to $60 by fall 1995. But the delay of two and one-half years in starting the reforms in Ukraine meant that Russians were being paid over twice as much as Ukrainian citizens and Estonians were being paid four times as much. They are continuing to pay for the authorities' populism in terms of the steepest decline in the standard of living — the volume of purchases of goods and services fell by 53.7 percent over four years in Ukraine, compared with 42 percent in Russia and 36 percent in Estonia.

On the other hand, the example of Estonia shows what results Russia might have achieved over these four years if the reforms started in 1992 had not been interrupted. Throughout this period, with the slight exception of 1993, Estonia had no budget deficit and it even had a slight surplus, which enabled it to swiftly overcome high inflation. As a result of sustained financial stability the GDP soon stopped falling and the total decline was the smallest among the European republics of the former USSR — only 26.8 percent compared with the 1991 level. And in 1994 the GDP started to rise rapidly. The increase in real production contributed to the rapid growth of pay, which was already more than $230 per month by fall 1995. At the same time, real living standards were rising steadily: In the past three years purchases by inhabitants of Estonia have increased by 47.5 percent.

The four years of economic reforms on the territory of the former USSR in three guises — two extreme and one intermediate — have demonstrated that in absolutely every indicator the advantage is on the side of decisive, comprehensive, and consistent actions. Slow, gradual measures merely help to aggravate the crisis and prolong stagnation. Radical reforms are the only road to economic recovery for the country.

International Affairs

Kiev Not To Join CIS Customs, Payment Unions This Year

*LD0301205796 Moscow INTERFAX in English
1942 GMT 3 Jan 96*

[FBIS Transcribed Text] KIEV, Jan 3 (Interfax - Ukraine) — Ukraine does not intend to join the CIS customs or payment unions in 1996, Ukrainian presidential first advisor Vladimir Kuznetsov told a briefing in the Ukrainian capital Kiev Wednesday.

The CIS customs union now embraces Russia, Belarus and Kazakhstan. Uzbekistan, Kyrgyzstan and Tajikistan are expected to join it this year.

The experience of the countries which have joined the customs union proves that ordinary residents of those countries do not understand such a move by their leadership, Kuznetsov said.

Thus far, Ukraine does not intend to join the CIS payment union because no unified currency unit has been introduced yet on CIS territory, he said.

However, Ukraine will broaden economic cooperation with the CIS countries and primarily with Russia, Kuznetsov said.

Kiev Hopes To Intensify Relations With Moscow

*LD0301205596 Moscow INTERFAX in English
1942 GMT 3 Jan 96*

[FBIS Transcribed Text] KIEV, Jan 3 (Interfax - Ukraine) — Ukraine is optimistic about its relations with Russia in the new year.

"The month of January 1996 may mark a breakthrough in Ukrainian-Russian relations," Ukrainian Foreign Ministry spokesman Yuriy Sergeyev told a briefing in Kiev Wednesday.

"Russia has come to realize that Ukraine's movement towards independent development is irreversible," the diplomat said.

"The absence of a large-scale treaty between the two countries is not a reason for pessimism or ending diplomatic efforts between the two countries," Sergeyev said. "The treaty is a very important factor in bilateral relations, but the relations do not stop there," he said.

Ukraine, Russia in Dispute Over Oil Transit Tariff

*LD0301155296 Moscow INTERFAX in English
1519 GMT 3 Jan 96*

[FBIS Transcribed Text] KIEV, Jan 3 (Interfax - Ukraine) - The supply of Russian oil to Eastern Europe via the Druzhba pipeline was stopped on January 1, 1996, head of the Ukrainian State Committee for Oil, Gas and Oil-Refining Industries's department Aleksandr Sverdlov told Interfax - Ukraine.

The oil supply was stopped by Russia due to the lack of an agreement with Ukraine on the oil transit cost.

Ukraine plans to raise the transportation tariff by an average of 10 percent, and Moscow disagrees with this plan.

At the same time, Russia suggested the continuation of oil supplies at the old prices till the completion of negotiations, said Sverdlov. "A Russian cable said nothing about termination of the oil supply," he noted.

In January 1995 Ukraine and Russia agreed on a $4.53 tariff for transportation of one tonne of oil for one kilometer. Ukraine insisted on raising the tariff to $5.20 per tonne. Ukrainian experts think that the real transportation cost is $7.20.

Sverdlov found it difficult to say when the oil supply via the Druzhba pipeline would be resumed.

General Director of the Ukrainian enterprise of Druzhba oil pipelines Lubomir Bunyak told Interfax - Ukraine that 20 Russian firms signed agreements on oil transportation with new tariffs with Ukraine.

In his words, Ukraine will insist on new transportation prices, because they were much lower than the European ones in 1995.

Some 4,000 kilometers of oil pipelines goes via Ukraine to export Russian oil to Europe via the Druzhba system, to the Odessa oil terminal and to southern Russia: Tikhoretsk, Novorossiysk and oil refineries.

Kuchma Visit to Helsinki Previewed

*WS0401105396 Lvov INFOBANK in English
0825 GMT 4 Jan 96*

[From the "News Service" feature]

[FBIS Transcribed Text] During President Leonid Kuchma's official visit to Finland, scheduled to take place January 9-11, members of the Ukrainian delegation plan to sign an intergovernmental agreement regarding prompt reciprocal notification in cases of nuclear accidents as well as cooperation and the exchange of information in the areas of nuclear and radiation safety. It is expected that documents will also be signed with regard to bilateral cooperation between Ukraine's Ministry of Environmental Protection and Nuclear Safety and Finland's Ministry of the Environment, Ukraine's Chamber of Commerce and Finland's Central Chamber of Commerce, and Ukraine's Union of Industrialists and Businessmen and Finland's Central

Union of Industry and Employers. President Kuchma and Finland's President Martti Ahtisaari together with other delegation members plan to discuss the possible formation of a free trade zone between Ukraine and the Baltic and North European countries, cooperation with regional structures such as the Northern Council and the Council of Baltic States, and the construction of a transcontinental highway connecting Helsinki-Kiev-Odessa-Chisinau-Bucharest-Plovdiv.

According to information released by Ukraine's Ministry of Foreign Affairs, in the first nine months of this year the volume of trade between Ukraine and Finland totalled $45 million, a figure higher than in previous years. Of this amount Ukraine exported $15.8 million worth of goods and imported $29.2 million from Finland, giving Ukraine a negative trade balance of $13.4 million with Finland. Ukraine's main exports to Finland were organic and inorganic chemicals (86% of the total) as well as salt and suphur (8%) and ferrous metal products (3%). Finland's primary exports to Ukraine were cardboard and paper (29%), nuclear reactors and nuclear power plant equipment (27%), and electrical machinery (22%).

According to information provided by Ukraine's Ministry of Statistics, in 1995 Finnish investments into Ukrainian businesses more than doubled and totalled $678,800 as of October 1, 1995. At that time 14 firms into which Finnish capital was invested were operating in Ukraine and 12 of these were Finnish-Ukrainian joint ventures. At present 33 Finnish firms have offices in Ukraine, six of which opened this year.

As an example of successful cooperation between businesses from both countries, Ukraine's Ministry of Foreign Affairs cited a contract between the Kiev Oblast's department of agriculture and food, the agricultural firm Druzhba in the Vasylkivskyy Rayon of Kyiv oblast, and the well-known Finnish firm Kemira concerning the use of Finnish technology for increasing agricultural harvest yields in Ukraine. Experts from Ukraine's Ministry of Foreign Affairs believe that a protocol of intent signed in 1995 with regard to cooperation with Finland's State Energy Concern also looks promising. According to this document Ukraine and Finland are ready to work together on the construction, reconstruction and modernization of Ukrainian hydroelectric and gas-run power plants using alternative sources of energy (biogas, garbage and other wastes), in making Ukrainian nuclear power plants more efficient and safer, in regulating the production of electricity at the Dnipro chain of hydroelectric power plants, and in introducing energy-saving technologies in various areas of Ukraine's domestic economy. In the near future the second meeting of a joint Ukrainian-Finnish commission for trade and economic cooperation should take place in Kiev where new proposals involving bilateral cooperation will be discussed.

National Affairs

Presidential Aide Hopes Parliament Passes Constitution

LD0301205996 Moscow INTERFAX in English 1942 GMT 3 Jan 96

[FBIS Transcribed Text] KIEV, Jan 3 (Interfax - Ukraine) — Ukrainian presidential first advisor Vladimir Kuznetsov does not rule out the possibility that parliament will pass the new constitution.

President Kuchma would agree to a compromise version of the Ukrainian constitution, Kuznetsov said at a briefing in the presidential headquarters, but if the differences between president and parliament are essential, a referendum must settle them.

Presidential deputy chief of staff Vladimir Litvin said at the briefing that the co-chairmen of the Constitutional Commission's working group will discuss ways to speed up the drafting of the constitution on January 4.

The president wants the constitution to be passed before next summer, Litvin said.

Resignation of Kuchma's Aides Viewed

WS0301142096 Kiev ZERKALO NEDELI in Russian 23-29 Dec 95 p 2

[Report by Natalya Ishchenko and Yuliya Mostovaya: "Political Freedom With Clean Conscience"]

[FBIS Translated Excerpt] As ZERKALO NEDELI predicted last week, a group of the Ukrainian president's aides has resigned. In one month's time, Leonid Kuchma's administration was abandoned, due to various reasons and under different wordings of presidential edicts, by Yuriy Havrylov, aide for security issues; Vadym Hrechanynov, aide for military issues; Oleksandr Razumkov, first presidential aide; Anatoliy Halchynskyy, adviser for macroeconomic policy; and Dmytro Vydryn, adviser for domestic political issues. [passage omitted]

Commenting on the split within the presidential team, ORT [Russian Public Television] saw the main reason for the above-mentioned resignations in the conflict between those discharged and Dmytro Tabachnyk, head of the presidential administration, who — according to Russian Television — often exceeds his powers.

However, it is also possible to assume that the web of problems resolved by such a radical step as resignation was much more intricate. A statement issued by those who filed their resignations mentions no names. (Neither Razumkov, Halchynskyy, nor Vydryn have so far mentioned any names). At the same time, the text of the statement is extremely clear:

The decision to resign ripened for me and my colleagues as early as June of this year. We notified the president about it at that time. We executed this decision on 15 December 1995 due to a number of factors:

First, we deem the influence of certain officials in the president's entourage socially dangerous. Their actions discredit the head of state. Such an opinion is widely spread among the public. We thought that those trusted by the president should have the courage to distinctly and clearly tell him about this. Such a statement was made. Following it, intrigues around the group of aides and certain advisers were sharply animated. We did not considered it possible for us to react to these intrigues. This, however, created an unhealthy political and moral-psychological situation in the Presidential Administration, which, in our opinion, is harmful to the head of state and damages state interests in general. The situation required an easing of tensions. We resolved to step down in order to terminate this fruitless struggle and to simultaneously demonstrate that even in the corridors of executive power there are people capable of opposing second-echelon politicians who stand in the first rank without having the right to do this, and use their authority not always according to its purpose.

At the same time, we always strived to have a conscientious attitude to utilize the media and considered that our main task was in working for the leader, not in gaining our own political capital. We would have restrained from public comments in this case, too, had we not had sufficient grounds for asserting that there are people in the president's entourage who constantly provoke conflicts between him and other power bodies. This is done in public statements, too. One does not have to be an insider to draw such conclusions. It is a very dangerous trend.

The conflict within the authorities obviously destabilizes the current situation in Ukraine. If the existing objective prerequisites are strengthened by an unhealthy influence of certain politicians in the future, as well, then confrontations in this sphere will be unavoidable. There will be no winners in these confrontations. The people will be among the losers.

Ambitions, however, gain the upper hand, but this does not take place among the most high level persons. To neutralize them, we lack both our own strength and the president's support. For this reason, we step down protesting against the aforementioned inflammatory activities and warning against their risks.

This step — testifying to the fact that Ukrainian politicians are not only pursuing careerism, cold calculation, and personal ambitions, but are also decent, honest, and somewhat romantic — was commented on in power circles:

Leonid Kravchuk, Ukraine's first president:

"It is rather difficult to analyze [these resignations], because nobody knows clearly what the real reasons were for the resignation of some politician or other. However, I never dramatize the situation where a man resigns due to some political, professional, or moral-political reasons. My work experience in both the Central Committee [of Ukraine's Communist Party] and the post of president shows that there may be many reasons. In viewing all that took place in an abstract manner, I cannot say that I am satisfied, but I have a feeling allowing me to say that we have ascended toward civilized behaviour. We have so far been used to the situation where a man clutches at his post with all his might; where he dances polka around his chair and cannot part with it even if he is being humiliated. I stated many times that Russia in this respect has left us behind, since there were many occasions where a man stood up and said that he did not agree with some person or other, and resigned. As for Ukraine, it was the first time — I underscore, the first time — when officials said that they were going to resign and explained the reasons for such a step. This was the first political resignation. There is no tragedy in it — it is a sign of civilized behavior. The only thing that I am afraid of is that someone may transform this act into a squabble."

Volodymyr Marchenko, one of the leaders of the socialist faction in the Supreme Council:

"I think that the resignation of Razumkov, Halchynskyy, and Vydryn from the Presidential Administration is a natural process which arose as a result of gaining too much authority by one man.

"When the Constitutional Agreement was being adopted, I reiterated that it did not include any democratic principles for the organization of the state administration. On the contrary, it deepened contradictions. Now we see that the agreement and the single vertical structure of executive power, which appeared as a result of this agreement, give rise to new problems. In particular, they give rise to increased corruption among bureaucrats at all levels and reactionary methods in the state administration. I expected that the key posts in the country would be assumed not by professionals having their own opinions, but people connected with criminal and big capital or mere lackeys. Obviously, both Razumkov and Halchynskyy, as well as Vydryn, could not accept such a development of events. In essence, the state in now administered not by skilled people, but by bureaucrats forcing their opinions upon others, by people who are not professionals, but have more power. In connection with this, I see the situation within the Presidential Administration in the following way: A clerk, on whom the distribution of presidential powers depends, now exerts pressure on intellectual, daring, and inventive people."

Serhiy Sobolev, leader of the "Reforms" deputy faction:

"The resignation of a group of advisers and Oleksandr Razumkov, leader of a group of aides, from the Presidential Administration testifies to very serious discords which have only recently begun to be settled and resolved. These discords — which, it is worth noting, were hidden by neither Razumkov nor Dmytro Tabachnyk — arose in connection with different views on the course of interaction between the Presidential Administration and parliament. I think that if the administration had not been left by the above-mentioned individuals, these contradictions would have probably ended with a very serious conflict — which was about to happen between parliament and the president on the one hand, and between the government and the Presidential Administration on the other. In my opinion, Razumkov's resignation became the first sign of the understanding that all problems should be resolved only at a negotiating table, without any ultimatums, drastic statements, and, most importantly, without drastic steps. What were the specific manifestations of the new trends? At the solemn gathering devoted to the 400th anniversary of [Ukrainian hetman] Bohdan Khmelnytskyy, the president in his speech expressed the opinion that he would not allow any confrontation between him and the head of government. In addition, the president stated that he intends to follow the path of cooperation with those parliamentary forces which are ready for such cooperation. Moreover, Leonid Kuchma appealed to the opposition forces to pass from constructive opposition to constructive cooperation. I assess these intentions as extremely positive.

"Regarding the nomination of Volodymyr Kuznetsov in place of Oleksandr Razumkov, I would like to say the following: A man who is pretty well acquainted with economic issues is to become the leader of a group of aides and the president's first aide, and will be responsible for resolutions of not only economic questions, but also those outside the economy, those of cooperation with law enforcement structures, political parties, parliament, and the Cabinet of Ministers. In other words, the nomination of Kuznetsov is either a unilateral attempt to exert pressure on the institution of aides or an attempt at reducing the job of the president's first aide to an insignificant one. I think that each of these possibilities is dangerous, since, in my opinion, the group of presidential aides should be a 'concentrated' mechanism providing the possibility for examining many variants of resolutions of state problems."

Oleksandr Karpov, an independent deputy:

"The problem of the resignation by Oleksandr Razumkov and the intended resignations of Halchynskyy and Vydryn is viewed in the light of purely personal relations, as well as details and particulars — such as who is more honest or more righteous. I would look at this problem through quite a different prism.

"The point is that the lack of clear regulations in the activity of any structure leads to the situation where problems of relations between specific people begin to assume a self-contained significance. As to the source of these problems, it remains the same as before — the indeterminate nature of power distribution within the power structures. I have in mind the 'three-floor' central executive power: the Presidential Administration whose powers have not been fixed by any normative act; the Cabinet of Ministers represented by departments and directorates on Hrushevskoho Street; and ministries. These three floors will surely be in opposition to one another unless their powers are clearly divided.

"The prime minister is censured for his well-known statement made after the elections. To my mind, he did an absolutely right thing, since 'the three-headed central uneven system', where all ties, foundations, and mechanisms are muddled up, cannot control the whole body in a normal and civilized manner. I deem this conclusion the main lesson given for us by all that happened. Regarding the persons involved in the conflict, I would like to say the following: Leonid Kuchma had a team which made him the president. When the helm of state control found itself in their hands, not all of those involved in getting hold of this helm were able to exercise an operative control. This gave rise to the need to form a team of a new kind, a new group of people."

Roman Bezsmertnyy, one of the leaders of the "Statehood" deputy faction:

"I cannot explain the conflict in the Presidential Administration only from the viewpoint of the internal situation in this structure. It seems to me that this conflict is connected with the general situation in the executive branch.

"First, the Constitutional Agreement, which required a general strengthening of the executive power, consolidated both the Presidential Administration and the Cabinet of Ministers as well as the local administration. As soon as the Constitutional Agreement came into force, it became clear that it did not effect the general situation in the country in a strong way, and the above-mentioned three components of the executive power have begun 'to go into different directions.'

"Second, everybody understands very well that the stage of reform requires a leader who 'could lead after him' the entire process of transformations. In a moment of difficulties, society begins to search for such a leader, as well as for culprits guilty of the difficulties. This is just the moment for such a search in connection with the coming of winter and a number of problems related to it. It is easy to put blame on a man who took upon himself extensive powers but was unable to use them for the implementation of his ideas. (True, there arises the question of whether he had enough time for this. This, however, is a topic for another conversation.) The above-mentioned circumstances became a stimulus for accumulating centrifugal trends within the executive power.

"The reason for this movement 'in different directions' was in upholding the two opposite theses: To implement and uphold the former policy or to immediately begin changing it. It is completely clear that such an opposition could not but end with some drastic moves.

"I assess positively the fact that we have lived to the time when political conflicts leads not to confrontation, but end with resignations and a search for one's application in other spheres.

"Is this situation connected with a strategic choice of sides that are to play the decisive part in subsequent elections? I personally cannot answer this question unequivocally in the affirmative, because there is still a lot of time ahead of those elections. Therefore, I cannot compare this occurrence with, so to say, an interim stage of elections — the adoption of a Constitution. The question of winners and losers in this duel will depend on how a new Basic Law will distribute the functions of the executive and legislative branches."

Thus, the edict on the discharge of O. Razumkov has been signed; according to a statement by A. Halchynskyy, he intends to leave the presidential palace after the conference with agrarians, and D. Vydryn — after his return from leave.

According to ZERKALO NEDELI information, after leaving the corridors of power, O. Razumkov, A. Halchynskyy, and D. Vydryn will set about creating a powerful expert political-economic center. Oleksandr Razumkov has also stated that this center will be created not for some specific politician, but simply owing to the urgent need for setting up such an expert institution. Very likely, the creators of the center will have fairly good job prospects since there will be many who will seek to attain the services of this team of intellectuals.

Denial of Prohibition on TV News Analysis Program

LD0301164696 Moscow INTERFAX in English 1519 GMT 3 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Leonid Kuchma's press secretary said on Wednesday the president's office had nothing to do with orders to prohibit airing a television news analysis program due to be shown on December 31.

Commenting on a protest filed the same day by the Ukrainian Media Club, a national association of journalists, Dmitriy Markov told Interfax allowing or forbidding the broadcasting of any program was the prerogative of the State Television and Radio Committee and that this was stipulated in agreements the Committee made with television companies.

The Media Club qualified the order to prohibit the program, a weekly show called Pislyamova, from going on air as "yet another step in the offensive of government structures against freedom of speech in Ukraine" and demanded that the president, as guarantor of the constitution, and parliament "strictly observe constitutional standards and the existing legislation in ensuring the rights and freedoms of citizens." The Club also demanded investigation of all violations of the rights of the media and of individual journalists and prosecution of officials who have perpetrated them.

"The facts of the use of political censorship and open pressure on the mass media and on individual journalists with the aim of exercising illegal influence on the content and character of materials (reflect) the inability of all branches of government to consistently implement what are truly democratic economic and political reforms," the Club said.

It said media censorship also contradicted commitments Ukraine made to be able to join the Council of Europe.

"We reserve for ourselves the right to appeal to international organizations for the defense of the inseparable right to freedom of speech and free distribution of information," the Club warned.

Economic Issues

Minister Stresses Need for Power Usage Cut

964F0665A Simferopol KRYMSKAYA GAZETA in Russian 20 Dec 95 p 1

[Interview with Vladimir Dubovenko, deputy minister of industry and power generation, by KRYMSKAYA GAZETA correspondent Tatyana Ogarkova; place and date not given; under the rubric "Official Interview: 'There Is Only One Solution—Cut Energy Use'"]

[FBIS Translated Text] How often do we see this phrase in the newspapers, or hear it on radio and television. We have become used to the seemingly impossible—routine power blackouts. But we have not really accepted it, proof of which are instances of spontaneous rallies, collective appeals to the government, telephone calls, and letters. The majority try to ignore the blackouts and constant calls for conservation, choosing a passive form of resistance—refusal to pay for electricity. Nevertheless, despite the Ukrainian Government's anxious appeals to the population: "If we do this (meaning energy conservation—auth.), we will preserve our state; if we do not—we will be a nation of paupers"—an eternal and saving human quality stays alive in our hearts: hope for the better. Will this hope prove justified in the near future? Is the fuel situation indeed not just difficult but already a crisis? Our correspondent posed these questions to Vladimir Aleksandrovich Dubovenko, deputy minister of industry and power generation.

[Ogarkova] The recently published appeal of the Ukrainian Cabinet of Ministers to heads of central and local bodies of state executive authority and local self-government, enterprises, institutes, and organizations, and all citizens of Ukraine on the problems of energy supply to the national economy and the population in the fall-winter period of 1995/96 has not produced (this is already obvious) the desired results. A few days ago another similar appeal was published in the mass media, but this time by the Government of Crimea to peninsula residents. One can clearly see from the texts of these appeals that a crisis is just around the corner. What are the main causes of this situation?

[Dubovenko] The main causes are enumerated in the appeals. Briefly, they can be formulated as follows: Crimea gets more than 90 percent of its electric power from Ukraine, which today is suffering a very acute crisis of the fuel and power generation complex, caused by the separation of the operation of the integrated power grids of Ukraine and Russia, which began on 4 December, and also because 58 percent of fuel in Ukraine is imported and requires enormous investment. But the main bane of the power generation sector is the huge debt on the part of electric power consumers. The result—no money to purchase spare parts for power stations, lack of reserve fuel, restriction schedules, and rolling blackouts.

According to the National Distribution Center of Ukraine, on 7 December generator No. 2 of the Zaporozhye AES [nuclear power station] was shut down, and the supply of electric power to Crimea reduced by 100 MW. For comparison—of Crimea's normal need of 1,280 MW, until recently it received (not counting Sevastopol) 724 MW. And another unconsoling fact—our electric power allotment has been used up for three months ahead, and all without payment. There has never been such a grave situation in all past years.

[Ogarkova] As I see it, Crimea residents should prepare for the worst, although apparently things cannot be worse?

[Dubovenko] Instead of preparing for the worst, we all should take measures to prevent the worst from happening. For this, we simply need to realize that by piling up debts for electricity we will not improve a family's standard of living or an enterprise's production volume. The power supply to debtor enterprises will simply be cut off for the winter period for nonpayment, as has already happened to more than 500 organizations. The Krymenergo system already owes the Ukrainian Ministry of Power Generation about 7 trillion karbovantsy [K]. This is among the largest arrears in Ukraine, and that is why a strict limit has been set for Crimea.

[Ogarkova] The situation today is such that a rise in social tension could lead to an explosion. Especially if we keep in mind that in the same district the electricity to some homes is cut three times a day, and to others—not at all. This feeds the most incredible conjectures and exacerbates the situation even more.

[Dubovenko] In November, the RESPUBLIKA KRYM newspaper published an open letter to consumers and the Government of Crimea, signed by many specialists in power generation. It enumerated vitally important facilities that should not be cut off. This includes boiler houses, hospitals, railroad and trolley bus substations, military units, communication centers, dairy plants, bakeries, and the water main. But these facilities do not have their own supply lines (feeders). They are located practically all over the city, which means that ordinary consumers who are lucky enough to be on the same feeder as vital life support facilities also will not get cut off. Apparently, facts like the ones you mention also take place, and should be eliminated. This is a task for the local authorities, which are currently in the process of approving blackout schedules.

[Ogarkova] But still, there must be some concrete way out of the crisis. Because without electricity we become helpless, practically blind.

[Dubovenko] A consumer who does not pay should be cut off. This is a must. The second, no less important condition, is to pay off debts, as much as possible, and at all levels. In addition, we need to analyze and establish power supply schedules in the cities and rayons. But we should keep in mind that the schedule mechanism depends entirely on the organizational abilities of local authorities and concrete enterprise managers. For instance, a number of Crimean enterprises have signed contracts for commercial supplies of electric power above the limit—the Titan, soda, bromine, Sizakor, and Imeni Voykova plants. This is also a concrete solution to the problem. However, the main task for us remains finding a solution but not at the expense of the republic population.

[Ogarkova] This can hardly be avoided, especially in the current situation. But let us assume that the crisis is over. How do you see the future development of the Crimean fuel and power generation complex?

[Dubovenko] As to power generation development, there is only one solution—reconstruct the existing power stations in Simferopol, Saki, Kamyshburun, and Sevastopol. And as resources permit, build new ones. At a recent innovation projects fair, some programs were presented, but so far there are no investors, since the sector is currently in crisis.

However, the notion of the "fuel and power generation complex" includes not only power generation but also the oil and gas sector, with such large enterprises as GPP [state production enterprise] Chernomorneftegaz, GGP [state geological enterprise] Krymgeologiya, OAO [agglomerated joint-stock company] Krymgaz, and the NIIShelf design institute. Over 11 months of this year, natural gas production amounted to 537.5 million cubic meters—an 8 percent increase compared to the same period last year. Oil production amounted to 14,700 tonnes, and gas condensate—26,900 tonnes, which is 37 and 49 percent more, respectively, than in 1994.

This quite high volume of production does not mean that the sector is problem-free. The main among them remains the same—nonpayments for natural gas, which amount to K11.4 trillion. One way to cut natural gas consumption is to install household meters, but this process proceeds with great difficulty. The main problem is lack of money: One meter costs more than K12 million. As of 1 December, 4,510 meters have been installed, while 240,000 are needed. Overall, our production of natural gas provides for 30 percent of our total needs. Which means we need to increase our own production. This year, with three new wells going on line at the Shtormovoye gas condensate field, production will rise to 630 million cubic meters of gas. So the oil and gas sector has a real potential for further growth.

[Ogarkova] Let us go back to the problem of electric power shortages. What real steps do you expect from the Government of Crimea in solving this problem?

[Dubovenko] All the necessary measures possible in this situation have been taken. The task of the day is to implement them.

Belarus

Premier: Debts With Russia May Be Annulled

WS0301143996 Minsk BELAPAN in English 1310 GMT 3 Jan 96

[FBIS Transcribed Text] An agreement on the annulment of mutual debts between Belarus and Russia may be signed in the first quarter of 1996. At the present time, the parties are negotiating about this agreement.

This was announced by Prime Minister Mikhail Chyhir at the December 30 government press conference. According to him, the Belarusian Government has every reason to hope that Belarusian debts for Russian gas, which now total over $500 million will be written off. In its turn Belarus pledges to lay no claims as regards the Belarusian resources that were frozen at the USSR Bank for External Economic Relations (around $250 million), as well as payment for the transportation of Russian energy resources through the territory of Belarus.

Mr. Chyhir also pointed out that the possibility of transferring any Belarusian property into the possession of Russia in the repayment of debts is out of question now. Another matter is that the Russian joint-stock company Gazprom may become a joint owner of Belarusian enterprises which are due to be transformed into joint-stock companies, for instance the Beltranshaz concern. "We have no objections to Russian participation in the privatization of our enterprises, but it must be carried out not in the repayment of Republic's debts but at the expense of Russian economic entities that want to become shareholders," Mr. Chyhir said.

Lukashenka Issues Edict on 1996 Privatization

WS0401104196 Minsk Radio Minsk Network in Belarusian 0800 GMT 4 Jan 96

[FBIS Translated Text] To improve the process of denationalization and privatization, Belarusian President Alyaksandr Lukashenka has signed an edict approving the program for denationalization and privatization of state property for 1996.

In particular, the program envisages the establishment of enterprises able to increase to the maximum the effectiveness of production based on modern methods of management and basic reconstruction. The document establishes conditions for the implementation of the right of each Belarusian citizen to obtain a share in state property. Additional financial resources are attracted to the budget for investment purposes. The program envisages the creation of open joint-stock companies, the transfer of state property on a non-payment [byazvyplatnaya peradacha] basis, and privatization of state property on a payment basis [vyplatnaya osnova] during privatization. The program also lists the main ways to conduct denationalization and privatization.

Oblast Leaders Meet With Lukashenka; Establish New Faction

WS0401123096 Minsk Radio Minsk Network in Belarusian 1100 GMT 4 Jan 96

[FBIS Translated Text] Belarusian President Alyaksandr Lukashenka continues his consultations with the 13th Supreme Soviet deputies. Chairmen of oblast executive councils and the Minsk City Executive Council participated in the meeting with the state leader, initiated by deputies who did not join any party factions.

According to the presidential press service, the preparation and holding of the first session of the 13th Supreme Soviet scheduled for 9 January were discussed at the meeting. Participants in the meeting supported the unconditional strengthening of cooperation between all branches of power on a constructive basis as well as the efforts by the president to strengthen statehood and stability in Belarus.

The meeting ended with a deputies' statement addressing the need to create a deputies' faction whose aim will be the consolidation of all political and public forces in Belarus who favor stability and accord in the Republic, realistic economic reform, and resolving of the crisis.

People's Deputy Uladzimir Viktaravich Hryhoryew, general director of the Dalamit Vitsebsk Production Association, was elected coordinator of the faction. Sixty three deputies agreed to join this faction.

Deputies Appeal To Defend Court Chairman

WS0401085096 Minsk Radio Minsk Network in Belarusian 0400 GMT 4 Jan 96

[FBIS Translated Text] A report on the fact that the Belarusian Constitutional Court Chairman Valery Tsikhinya received an unofficial proposal from a top representative of executive power to resign has forced 135 deputies of the 13th Supreme Soviet — representatives of the factions of the Agrarian Party, the Party of Communists, and the Civic Action Deputies Association, as well as independent deputies — to adopt an appeal.

The appeal says that only the Supreme Soviet can suspend the power of the Belarusian Constitutional Court chairman before his term is up, provided there are relevant reasons. Supreme Soviet deputies expressed their confidence that the Belarusian president will not take measures to destabilize the situation and called on all political forces to undertake actions based only on laws and the Belarusian Constitution.

Former KGB Chief Yahoraw Interviewed

WS0401074896 Minsk BELORUSSKAYA DELOVAYA GAZETA in Russian 21 Dec 95 p 4

[Interview with former Belarusian KGB head Uladzimir Demyanovych Yahoraw by Syarhey Aniska; place and date not given: "KGB Is Attentively Monitoring the Redistribution of Property" — first paragraph is BELORUSSKAYA DELOVAYA GAZETA introduction]

[FBIS Translated Text] **We continue to discuss the role of the special services in Belarusian political life. [Former] Belarusian KGB head Uladzimir Demyanovych Yahoraw answered our correspondent's questions.**

[Aniska] Uladzimir Demyanovych, in which role — Belarusian KGB head or Supreme Soviet deputy — do you feel yourself now? What influenced your decision to run for the legislature?

[Yahoraw] Since the legislature has not yet begun its work, I, of course, feel myself not only as KGB head, but continue to fulfill all my official duties. I made a decision to devote myself to the work of a deputy for two reasons: The first reason is a wish to implement the experience accumulated by me in law enforcement bodies, and the second reason, closely connected with the first one, is the need for the adoption of new, effective laws which will be a barrier to crime and will make it possible to stabilize this important component of public life.

[Aniska] You occupied the post of KGB head since Alyaksandr Lukashenka came to office. Were the KGB's objectives changed after the introduction of the presidency?

[Yahoraw] Belarus's sovereignty, the adoption of the Constitution, and the election of the first president have profoundly influenced the internal reorganization of the KGB, the main essence of which is its transformation into an independent special service of an independent state. It is not very easy to explain the new world which we joined; it cannot be defined in a clear-cut and precise way as the world which we left. Problems that are of interest for the KGB are very diverse. Although the degree of probability of a sizeable military conflict has decreased, the number and complexity of the sources of threats to the interests of our security have increased. The tasks of exercising control over the proliferation of weapons of mass destruction, international drug trafficking, terrorism, environmental problems, and ethnic and national intolerance have come to the fore. Given such conditions, one cannot state the unchangeability of the internal essence of KGB activities. New tasks triggered the complete reorganization of the special services, and new contents and understanding of all aspects of our activities.

[Aniska] Despite the declared principle of depoliticalization, the KGB, from time to time, finds itself in the center of political developments. It is sufficient to remember the resignations of Eduard Shyrkowski, Henadz Lavitski, and Stanislav Knyazev. In connection with this, a question emerges: Is the withdrawal of KGB officers from big politics possible in general?

[Yahoraw] According to the Law "On the Status of Servicemen," KGB officers can not participate in the activities of public political organizations. There are no politicized structures in the special services. As regards the "general" withdrawal from "big politics," I must point out that the final product of the KGB is information which covers security. In some cases, this information can contain, for example, an analysis of possible reaction by foreign governments to some political options or steps planned by Belarus, and can help our government adopt proper decisions. Therefore, based on the nature of their work, KGB officers also have to deal with big politics.

[Aniska] When the president made a speech to his "vertical structures," he pointed out that the "Republic is surrounded by special foreign services." Could you comment — to the extent it is possible — on Alyaksandr Lukashenka's statement?

[Yahoraw] Since Belarus is not situated in space, but is surrounded by neighbors, it is possible to say that we are located inside a circle of foreign states. All these countries have special services; therefore, we are inside a circle of foreign special services. This is quite natural and it occurs in all regions of the world.

[Aniska] Lately, the Cabinet of Ministers and various political circles have been intensely discussing the subject of the KGB. In your opinion, what can explain such attention to the special services? Is it really the fear of the return to the evil past, or something else?

[Yahoraw] In my opinion, there are now no grounds to be afraid of the return to the past mentioned by you. Emotions around the KGB are primarily caused by economic reasons. The state and society are living through the transition to a model of an economic and public system which is usually called the market system, and privatization — or the division of common assets and wealth accumulated over recent decades among all our citizens — has become an issue of paramount importance. One can conditionally say that two centers of power, two approaches toward resolving this problem have been formed in society. One of these centers aims for the illegal redistribution of property in the interests of only a small group of people who have an opportunity to influence the process. The equilibrium between law enforcement bodies and the legislation, according to which law enforcement bodies operate, is an obstacle to precisely this force. To do away with such an obstacle, the concept that the KGB does not meet current requirements due to the alleged inherent connection with its police past is methodically spread around. Quite obvious intentions — to split the KGB, disintegrate its operative opportunities, and abolish one of the institutes of state control — are hidden behind such a concept. This is nothing but the expression of the social order of those political circles and forces who attempt to weaken state structures purposefully, even by sacrificing the real interests of national security.

[Aniska] The KGB has always been in the field of vision of various reformers. What is your attitude toward concepts of conferring an independent status to the intelligence agency or establishing a single special service based on the KGB and the Interior Ministry?

[Yahoraw] On 22 April 1992, the Supreme Soviet adopted a decree "On the Concept of Legal and Judicial Reform" which specified the following: "The establishment of a single public security ministry based on the KGB and the Interior Ministry with the separation of foreign intelligence as a single department does not correspond to the principle of a legal state aimed at the effective control over the fulfillment of laws." I share this viewpoint and regard it as quite rational. (Nevertheless, as I learned from competent sources, such projects have been repeatedly discussed by members of the Security Council apparatus — editorial note)

[Aniska] Which of the KGB's problems are the most painful now?

[Yahoraw] I would specify two key problems — finances and staff — that are caused by the general situation in the state. The economic crisis that we are experiencing now affects our service. It is difficult to resolve housing construction problems and improve our material-technical base. It has become more difficult to choose new officers for our service because nonstate structures offer higher pay and more attractive jobs to college graduates. But we continue work in this direction and take advantage of the support of the president, the Cabinet of Ministers, and the initiative of our officers.

[Aniska] The fact that you — an experienced politician — came to the legislature is an extraordinary event in the life of Belarus. In connection with this, I ask you the following question: At which post would you like to see yourself in the Supreme Soviet?

[Yahoraw] First of all, thank you for your compliment, but I cannot include myself in the ranks of experienced politicians, although the complexities of life and my current post have made it possible to accumulate specific political experience.

The current Belarusian Supreme Soviet is composed of 198 deputies who have both life and professional experience. It is up to deputies to choose among the candidates for various posts. I am ready to work for the benefit of the Belarusian people in any areas. Perhaps there is much pathos is this statement, but this is my conviction.

[Aniska] Since you have been elected a Supreme Soviet deputy, who in your opinion will be your successor to the post of KGB chief?

[Yahoraw] The nomination of the KGB chief is the prerogative of the president. I can only add a single thing: Belarus is rich in people who are talented in all spheres, including those who are fit for the post of KGB chairman. I wish this post to be occupied by an expert in the full meaning of this word.

Moldova

Lungu Calls Dniester 24 Dec Referendum 'Absurd'

AU0301193996 Chisinau BASAPRESS in English 1930 GMT 2 Jan 96

[FBIS Transcribed Text] Chisinau 02/01/1996 (BASA-press) — Chisinau politicians disapprove of the referendum and parliamentary elections held in Dniester on December 24.

Gheorghe Lungu, head of the Parliamentary Commission for Foreign Relations, told BASA-press that the referendum was "absurd, because Dniester adhered to the CIS being within Moldova." He also stated that the respective referendum is an imitation of Dniester's independence. Referring to the elections to the Supreme Soviet, Lungu stated that "they cannot be recognized because this body claims to represent a self-proclaimed republic." Asked if the Moldovan Parliament will cooperate with the new Supreme Soviet, Lungu said that "we'll have to negotiate with the real power-holders."

Vladimir Voronin, chairman of the Moldovan Communist Party (CPM), told BASA-press that the referendum on adherence to the CIS is "a misleading of the public opinion, because, according to the CIS Constitution Act, Moldova adhered to the CIS within its current frontiers. I don't think the CIS will accept Dniester, in particular since it could create a dangerous precedent for Russia," said Voronin. He also stated that the elections to the Dniester Supreme Soviet could harm relations between

Chisinau and Tiraspol. "Unfortunately, Moldovan officials are always late, unlike the Dniester ones," Voronin concluded.

According to preliminary data, 58.4 percent of the population took part in referendum on December 24. Deputies were elected to all 35 seats in the Chamber of Representatives — most of them being managers of major Dniester industrial enterprises and collective farms. Over 82 percent and respectively 85 percent of voters favored the draft constitution and Dniester's adherence to the CIS.

Chisinau Rejects Peacekeeping Role for Russian Troops

AU0301173196 Chisinau BASAPRESS in English 1930 GMT 2 Jan 96

[FBIS Transcribed Text] Chisinau 02/01/1996 (BASA-press) — Moldovan delegation in the Joint Control Commission (CMC) rejected Russia's proposal to extend peacekeeping authorities onto the Russian troops stationed in Dniester.

At a press conference last week, Moldovan representatives in the CMC said this proposal made by Aleksandr Sokolov, Russian ground troops deputy commander, during his visit to Moldova in 1995, contradicts the July 21, 1992 Moldovan-Russian convention. According to it, the Russian mobile troops have to observe neutrality. Also, the proposal cannot be accepted due to the "politicization" among 14th Army soldiers.

Moldovan representatives brought evidence on violation of the neutrality principle by the 14th Army. They also pointed out that Russian peacekeepers breach UN and OSCE [Organization for Security and Cooperation in Europe] standards by placing Dniester military detachments, uncontrolled by CMC, in the security zone.

The Moldovan delegation asked Moldovan officials to urge introduction of UN and OSCE multinational peacekeepers, including Russian troops on condition that these operations are controlled at an international level.

Vladimir Bodnar, vice chairman of the Dniester Supreme Soviet, told BASA-press that Tiraspol has not yet taken an official stand as to the Chisinau representatives' statements. Bodnar suggested that the Moldovan delegation should have first submitted its proposals for discussion in the CMC.

Turkmenistan

Niyazov Dismisses TV, Radio Head, Other Officials

LD0401093096 Ashgabat Radio Ashgabat Network in Turkmen 1500 GMT 3 Jan 96

[FBIS Translated Text] Turkmenistan President Saparmurad Turkmenbashy [Niyazov] has issued the following decrees:

To relieve comrade Jumamurad Geldiyev of his post of head of administration of Kushka district in connection with his transfer to another post.

[Signed] President Saparmurad Turkmenbashy, Ashgabat, 2 January 1996.

To relieve comrade Annageldi Jafarovich Orazdurdyyev of his post as head of the national television and radio company of Turkmenistan for serious shortcomings in his work.

[Signed] President Saparmurad Turkmenbashy, Ashgabat, 3 January 1996.

To appoint conmrade Isa Orazmedov head of the national television and radio company of Turkmenistan, relieving him of his post of deputy head of administration of the city of Ashgabat.

[Signed] President Saparmurad Turkmenbashy, Ashgabat, 3 January 1996.

By a decree of the president of Turkmenistan, Abdylla Shikhiyevich Yakubov has been appointed first deputy head of the national television and radio company of Turkmenistan.

A decision has been adopted by the president of Turkmenistan on establishing a creative council at the national television and radio company of Turkmenistanin order to improve the work of the national television and radio company.

By a decision of the president of Turkmenistan, Kakamurad Balyyev has been relieved of his post of deputy head of the national television and radio company for grave shortcomings in his work.

Niyazov on 'Shortcomings' in TV, Radio

LD0401102796 Ashgabat TURKMEN PRESS in Russian 0700 GMT 3 Jan 96

[FBIS Translated Text] President Saparmurad Turkmenbashy [Niyazov] today met the heads of the national television and radio company and of creative associations of the country.

During the meeting, Saparmurad Turkmenbashy analyzed the work of the national television and radio company and the quality of television and radio programs being offered to the population. Acknowledging that those working in television and radio had achieved something since the republic became independent, the president said there were still significant shortcomings in this work. He also said that programs were still being put together according to old methods and that as a result they were dull, monotonous and lacked depth. The low standard of programs means they are not meeting the demands of the times. Literary heritage and folklore have been ignored, which is a serious oversight, Saparmurad Turkmenbashy said. Television and radio programs are not serving the spiritual needs of the people. In order to improve the work of the national television and radio company, the Turkmen president has adopted a decision to set up a creative council. Representatives from the Ministry of Culture, the film and video company and creative associations will be on the council.

For shortcomings in their work, heads of the national television and radio company have been relieved of their posts. Saparmurad Turkmenbashy said he was sure the company's new leaders would improve standards and this way increase the popularity of television and radio broadcasts and that they would keep pace with the times.

Trade Center To Boost Consumer Market

LD0201183396 Ashgabat TURKMEN PRESS in Russian 0600 GMT 2 Dec 96

[FBIS Translated Text] The National Trade Center has opened in Ashgabat. According to forecasts by specialists, the National Trade Center, which opened in Ashgabat on the eve of the New Year celebrations, will help to fill the domestic consumer market with goods to a significant degree. Resolving this current task is one of the priorities set out in the president's program on deepening market reforms and the socioeconomic development of Turkmenistan in 1996.

This new structure has been set up as a joint-stock company by a resolution of President Niyazov. The State Commodity and Raw-Materials Exchange of Turkmenistan, the Ministries of Trade and Resources, Agriculture and Food, the textile industry, the Gayrat corporation, the Turkmenistan joint-stock commercial bank, the Turkmenpotrebsoyuz [consumers' association], and the Turkish Goch group of companies are the founders of the National Trade Center. The strategic goal of this trade and economic alliance is to make up for the shortage of goods prevailing on the domestic market, and to saturate the market with high-quality goods. Local farmers are to play an important role in tackling this current problem. Moreover, domestic consumer goods and home appliances exhibited here are to attract foreign businessmen and fully reveal the export potential of Turkmen industrial producers. That is why supporting local producers through investments and establishing long-term contacts with them are among the principal goals of the National Trade Center. In addition, the National Trade Center will also carry out foreign economic activity. Moreover, the conditions in which this joint-stock company operates are creating incentives to encourage foreign traders to supply Turkmenistan with goods through the National Trade Center, because it is planned to exempt foreign suppliers from profit tax for selling goods supplied by them through the National Trade Center.

The state has created favorable conditions for the successful trade and economic activity of the new center. The Central Bank, inter alia, is entrusted with allocating credits to the National Trade Center at an annual interest rate of 15 percent. Under the presidential resolution, this joint-stock company is not obliged to sell its foreign currency earnings to the Central Bank. This will present additional opportunities for hard currency funds to be channelled into importing goods that Turkmenistan needs.

Armenia

President Sums Up Achievements in New Year Message

NC0301184396 Yerevan Radio Yerevan International Service in Armenian 2145 GMT 31 Dec 95

[New Year address by President Levon Ter-Petrosyan delivered on 31 December; place not given—recorded]

[FBIS Translated Text] Dear compatriots, in my new year greetings last year I had expressed the hope that 1995 would be the year of alleviating our people's cares and of manifesting the tangible fruits of independent statehood.

Today I can with a deep satisfaction consider this hope as having been fully justified. In contrast to the previous years of independence, 1995 truly became a turning point for the consolidation of the positive trends in the economy, stabilization of the dram and prices, revival of foreign trade, and the noticeable, albeit slow, increase in the population's living standard.

There is no need to refer to statistical data and economic indicators to be convinced of this. It is sufficient to note the number of cars in circulation, the abundance in the markets and shops, and the smiles and growing optimism of the people.

It goes without saying that we have to maintain and further deepen all these achievements in the coming year in order to instill a feeling of security and stable progress in our people. For without this feeling it is impossible to picture the desired vision of a prosperous Armenia.

Our people paid very dearly for independence and the liberation of Nagorno-Karabakh. But it paid it willingly and consciously. It suffered but persevered. It grieved but endured, for the aim was supreme and beyond bargaining. Moving ahead of our times, I think we already have the right to consider this matchless bravery that will win the generations' undivided veneration. As no bravery goes unrewarded, no noble effort resultless, and no well-tended plot barren, so the tremendous effort exerted by our people should have undoubtedly produced its fruits, too. Therefore, it was no mere coincidence that with its humble yet hope-inspiring harvest 1995 became the first fruitful year.

It could be said that this year the people's life gradually began a normal course, with its daily cares and difficulties but in a predictable manner, thanks to the steady and arduous work by the state organs, industrialists, agricultural workers, and businessmen. There were no upheavals as regards the dram's rate, inflation, prices, consumer goods, and other economic activities. Armenia's comprehensive socio-economic development program for 1995 worked out with the assistance of the international financial organizations certainly played a decisive role in the economic stability and brought to naught all the pessimistic predictions concerning its implementation.

Besides the consolidation of the trends toward economic stabilization and restoration of macroeconomic balances, 1995 gained significance in Armenia's economic life with the implementation of a number of vital projects. The Metsamor atomic plant, the Her-Her dam, the Araks bridge, the Tavush-Ijevan highway, a number of production lines at the military-industrial complex, and others were commissioned.

I want to specifically praise the high quality work of all the specialists, scientists, and builders participating in the responsible task of recommissioning the atomic plant thanks to which Armenia partially recovered its independence regarding power. On that occasion, I convey my best wishes to the nuclear plant employees, confident that you will consider the unhindered and safe operation of the plant your sacred duty and as a matter of the state's honor.

Besides the stabilization of the socio-economic situation and the implementation of the vital construction projects, 1995 will also go down in Armenia's history as a turning point in the consolidation of democracy and completion of the state structure. I have in mind the 5 July parliamentary elections, and in particular the adoption of the Armenian Constitution, which will always have a lasting and constructive value in ensuring the freedoms and rights of man and citizen, the stability of the state, and the productive work of the state organs. In this connection, I want to deeply thank our entire people for the high awareness of citizenship and wise orientation displayed during the constitutional referendum.

I think it is self-evident that the aforesaid achievements in the economic development and state building spheres would have been impossible if the truce, which I consider as the most valuable accomplishment of our people, established in Nagorno-Karabakh was not observed during the entire year. It is irrefutable that both the positive trends of socio-economic stability and the successful implementation of the assistance provided by the international financial organizations are almost entirely contingent upon the stable cease-fire in force for the last more than one and a half years. Regrettably, our people have had direct experience with the opposite affects of war and peace. As such, the peace should be regarded as the only condition for our survival, security, and economic prosperity because our people do not lack the other necessary conditions such as wisdom, intelligence, bravery, perseverance, and entrepreneurship. Therefore, I consider our priority problem for the next year to be the transformation of the existing truce into a stable peace on the basis of the just solution of the Nagorno-Karabakh conflict. If there is peace I have no doubt of a bright future for our country and people. I also have no doubt that during our generation Armenia will occupy its rightful place in the equal family of civilized countries. I would like it if this were seen not as seasonal optimism but as perceiving the light in our dire straits.

Dear compatriots, in contrast to previous years, I now do not wish you patience and perseverance but peaceful and creative work for the prosperity and glory of our five-year-old independent Republic. Happy new year.

British Foreign Secretary's Visit Detailed

NC0301202496 Yerevan Armenia's Radio First Program Network in Armenian 1900 GMT 3 Jan 96

[FBIS Translated Text] Malcolm Rifkind, British secretary of state for foreign and commonwealth affairs, visited Yerevan today. Our colleague Anush Nazaryan reports.

[Begin recording] [Nazaryan] Armenian President Levon Ter-Petrosyan today received British Foreign Secretary Malcolm Rifkind. Following the meeting, Mr. Rifkind and Armenian Foreign Minister Vahan Papazyan held a news conference.

In highly assessing the British official's visit, Mr. Papazyan noted that Armenian-British relations will develop in the future in particular in areas of mutual interest.

During the meeting with the reporters, British Foreign Secretary Malcolm Rifkind said:

[Rifkind, in English fading into Armenian translation provided by Nazaryan] We consider Armenia's independence a very important event not only for Armenia but also for the entire international community. We desire to develop economic ties between Armenia and the United Kingdom. It is, therefore, very important that the banks of the two countries form a joint enterprise which will open in Yerevan in the near future. I am sure that ways will be found in the coming months and years to develop political, economic, and other ties between Armenia and Great Britain.

As regards Nagorno-Karabakh, Mr. Malcolm Rifkind says that the international community, acting through the OSCE [Organization on Security and Cooperation in Europe], will help find a peaceful solution to that problem. We are pleased with the long-lasting cease-fire in Nagorno-Karabakh. I will be very pleased if 1996 becomes the year of the solution of the Nagorno-Karabakh problem. [end recording]

Rifkind Urges Nagoro-Karabakh Solution

LD0301081696 Moscow ITAR-TASS in English 0810 GMT 3 Jan 96

[By Tigran Liloyan]

[FBIS Transcribed Text] YEREVAN, January 3 (Itar-Tass) — British Foreign Secretary Malcolm Rifkind arrives here on Wednesday for a brief visit, a spokesman at the British Embassy in Yerevan has told Itar-Tass.

Mr Rifkind is to hold talks with the leadership of Armenia and discuss bilateral cooperation matters as well as regional problems, including the Karabakh peace process.

In an interview with the Yerevan-based newspaper AZG, the British Foreign Secretary expressed hope that his visit would serve the development of relations between Britain and Armenia.

Touching upon the Nagorno-Karabakh issue, Mr Rifkind called for the earliest and peaceful settlement of the conflict. With this end in view, he said, Britain will support the efforts of the OSCE Minsk group on Nagorno-Karabakh towards a political solution to the problem. The British Foreign Secretary believes that his visits to Yerevan and Baku will make it possible to get first-hand information on the points of view of the authorities of Armenia and Azerbaijan on prospects for a settlement of the conflict.

Mr Rifkind believes that the Karabakh peace process should equally combine the principle of the right of nations to self-determination with that of the preservation of the territorial integrity of states. A political settlement of the conflict over Nagorno-Karabakh will encourage investors' trust and will promote the economic development of the region, Mr Rifkind pointed out.

Azerbaijan

Envoy: Iran To Increase Efforts To End Karabakh Crisis

LD0301145896 Tehran IRNA in English 1334 GMT 3 Jan 96

[FBIS Transcribed Text] Astara, Jan. 3, IRNA — The ambassador of the Islamic Republic of Iran to Baku, 'Ali Reza Bikdeli said on Wednesday that Tehran will step up its efforts to end the Karabakh crisis.

Baku's television on Wednesday quoted Bikdeli as saying that Iran will make efforts for immediate settlement of dispute in Karabakh using its influences in the region.

Bikdeli expressed hope that given the existing conditions, a lasting peace will soon be established in the region.

Turkic Nationalist Group Statement Against Iran

NC0301203496 Baku TURAN in English
1414 GMT 3 Jan 96

[FBIS Transcribed Text] Baku/03.01.96/TURAN — "Iran occupies a leading place among the neighbours of Azerbaijan which carry out a hostile policy against it," reads a statement of the organisation of Turkic nationalists of North Azerbaijan. The document notes that "anti-Azeri propaganda is going on in the mass media of Iran."

"Repressions against Azeris are going on in Iran. Thus, about 500 students, teachers and other representatives of intelligentsia of South Azerbaijan have been arrested recently."

The statement notes that there are words on the entrance to Iranian Embassy "Iran's Embassy in Baku." Turkic nationalists consider that these words confirm the opinion that Iran does not recognise the independence of Azerbaijan."

"Taking into account the above mentioned, the organisation of Turkic nationalists demands to suspend the activity of Iran's Embassy in Azerbaijan and to deport its staff from the country."

Note: Turkic nationalists is radical organisation addressing against all relations with Iran and is oriented only towards Turkey.

The organisation was set up late in 1992 it unites about 100 people, leader is Vugar Beyturan.

Preparations Under Way for 'Early Oil' Shipment

NC0301141596 Baku TURAN in English
1144 GMT 3 Jan 96

[FBIS Transcribed Text] Baku/03.01.96/TURAN—The Cabinet has issued a special decree providing for transfer of operating oil and gas pipelines to the balance of Azerbaijan's State Oil Company [SOCAR]. At the same time, the land will be provided for construction of technical objects necessary for implementation of project for shipment of early oil from the Azeri, Chirag and Guneshli oil-fields.

The oil pipeline Baku-Groznyy with the diameter at 720 millimetres - the northern route through Russia - will be passed on to SOCAR's balance.

Simultaneously, SOCAR is handed oil pipeline Gyuzdek-Akstafa with the diameter at 530 millimeters - western route through Georgia - the construction of which is yet to be completed. It is stipulated that the gas pipeline Gazimamed-Akstafa with the diameter standing at 1,020 millimeters (western route) will be used as the oil pipeline for oil shipment.

"Azerigas" state company is instructed to use another gas pipeline with the diameter 1,220 millimetres for gas transportation. The order of the Cabinet reports the local bodies must adopt resolution on providing lands for construction of oil terminals and other technical objects for oil shipment through northern and western routes as soon as possible.

Under the contract on development of the Azeri, Chirag and Guneshli oil-fields, the recovery of early oil must start in summer 1996.

October 9, 1995 Azerbaijan's International Oil Company (AIOC) [Azerbaijani International Operating Company] adopted the resolution that 5 million tons of early oil from offshore stationary Chirag-1 setting will be shipped on two routes: to the Georgian port of Supsa and Russian port of Novorossiysk.

Georgia

Shevardnadze Discusses Relations With Iranian Envoy

LD0401081996 Tehran IRNA in English
0759 GMT 4 Jan 96

[FBIS Transcribed Text] Tbilisi, Jan. 4, IRNA — Georgian President Eduard Shevardnadze welcomed bolstering of Tehran-Tbilisi ties in a meeting with Iranian ambassador in Georgia Fereyden Haqbin here on Wednesday [3 January].

Shevardnadze told the Iranian diplomat that cooperation between the two countries is of strategic importance. He added that the plan to allow Iran use Georgian roads for access to the Black Sea and Europe will have great impact on promotion of bilateral relations.

The Iranian ambassador referring to the recent visit of President Akbar Hashemi-Rafsanjani of Iran to Georgia, said that it marked a turning point in bilateral relations. He also reported on the growing trend of Tehran-Tbilisi cooperation adding that according to director of Georgia's Kutaisi car manufacturing factory, the first joint vehicle will be produced and marketed this year.

Among recent measures taken to boost bilateral cooperation, are establishment of direct flights between Tehran and Tbilisi, expansion of tourism industry, promotion of trade and reconstruction of Georgian power stations by Iranian experts, said the Iranian ambassador.

He added that in a bid to boost educational and cultural cooperation, a group of Georgian students and instructors are expected in Tehran shortly for further studies.

Restoring Territorial Integrity Priority for Government

LD0301182096 Moscow INTERFAX in English 1700 GMT 3 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] TBILISI, Jan 3 (Interfax) — Georgian Foreign Minister Irakli Menagarishvili said restoration of Georgia's territorial integrity would remain the country's chief priority this year.

The issue would dominate the former Soviet republic's foreign policy as well, Menagarishvili told Interfax in Tbilisi.

"Expanding and deepening relations with other states of the world community" will also be an important aspect of Georgia's foreign policy, he said. "Those relations will exclusively be based on the principle of equality."

"In view of the quite important geopolitical position of Georgia we will be pursuing a balanced policy both towards neighboring states, including the CIS (Commonwealth of Independent States) and towards Western countries," the minister said.

Formation of Factions in New Parliament Detailed

AU0301132396 Tbilisi THE GEORGIAN TIMES in Georgian 20-27 Dec 95 p 2

[Unattributed article: "Four Pro-Government Factions and One Opposition Faction"]

[FBIS Translated Text] According to a statute ratified by the Georgian Parliament, a parliamentary faction should be composed of a minimum of 10 deputies. It can be said that the process of the "separation of factions" in Parliament has already come to an end, although certain regroupings cannot be excluded in the future.

The Union of Georgia's Citizens [UGC] naturally forms the biggest faction. Faction Chairwoman Lana Ghoghoberidze states that the "ruling faction" does not at all intend to oppress the other factions and will be able to take account of their views through consultations during the adoption of decisions. However, the National-Democrats hold an opposing view regarding these consultations. According to Mamuka Giorgadze [leading member of NDP], during the current meeting between the UGC and National-Democratic Party [NDP] factions, the UGC simply says what it is planning to do whereas the NDP makes known its negative attitude.

If we take into account that the UGC deputation is not a cohesive body, one of the most important concerns of the ruling faction will be ensuring internal discipline.

We should view the fact that three more factions have been formed alongside the UGC faction as a distinctive feature of the Georgian Parliament; in reality, they dissociate themselves from the UGC, but do not consider themselves to be in opposition.

In the first place, there is the faction composed of Ajarian deputies belonging to the Union for the Restoration of All-Georgia [URAG]. Vakhtang Abashidze is the chairman of this faction. Representatives of the URAG state that they will always stand alongside Shevardnadze's main party and exclude the possibility of any radical differences emerging in the positions held by these two factions. However, during approval of the candidature of Rostom Dolidze [for the post of chairman of the Parliament Procedural Committee], the friction that ensued between the two representations of power shows that confrontation cannot be completely excluded on certain issues.

Parties represented in Parliament by one or two majority deputies have been under threat of finding themselves "out of the game." Given that they cannot form their own factions, they could remain outside parliamentary consultations and committees and away from the microphones. It is precisely for this reason that, on the initiative of Vakhtang Rcheulishvili, leader of the Socialist Party, the "Mazhoritari" [majority] faction has been created and Yuriy Chikhradze, representative of the "Union of Reformers of Georgia-Erovnuli Tankhmoba [National Accord] bloc has been elected its chairman. However, given that the faction is not a cohesive body, a political council has also been formed to lead this association.

The "Mazhoritari" faction is composed of supporters of the president and they will only oppose the UGC to acquire their "rightful place under the sun."

It is significant that the "Mazhoritari" faction has a clearly formulated ideology and declares itself to be left of center. Their aim is to create a socialist state and protect the socialist interests of the population.

The clearly expressed ideological and party character of the "Mazhoritari" faction has frightened away that part of the deputies who were elected on the recommendation of initiative groups; they have refused to unite with them and have formed a separate faction called "Imedi" [Hope]. Its chairman is Zurab Akhmeteli. "Imedi" likewise does not intend to be in opposition and is uniting with the majority, but has promised to have its say on certain issues.

The existence of so many factions that adhere to the position of the government, in principle, makes it possible for them to unite. However, as is clear, the UGC has not forgotten Vakhtang Rcheulishvili's caustic remarks directed against Zurab Zhvania [Parliament speaker, former UGC general secretary]. This is probably the reason that, on 12 December, Lana Ghoghoberidze proposed to only the URAG and "Imedi" factions that they sign an agreement on the creation of the "Umravlesoba" [majority] faction. In the view of the UGC, this will facilitate coordinated actions by the forces represented in Parliament.

So, it has fallen to the lot of the "National-Democratic" faction to fulfill the role of the opposition in Parliament; as yet, it has no intention of cooperating with any other faction and is confining itself to establishing its positions.

On 13 December, yet one more parliamentary faction — "Abkhazeti" [Abkhazia] — was created, which unites 10 deputies. Its leader is Germane Patsatsia.

Abkhaz Parliament Calls For Early Elections

LD0401120596 Moscow INTERFAX in English 1028 GMT 4 Jan 96

[FBIS Transcribed Text] SUKHUMI, Jan,4 (Interfax) — The parliament in Abkhazia elected for a five-year term in 1991 has called for an early election and proposed that President Vladislav Ardzinba decide the date.

"The parliament of Abkhazia deems it necessary to call general elections before the term of the incumbent Supreme Soviet has expired," it said in a statement on Wednesday.

Parliament Speaker Sokrat Dzhindzholia in an interview with Interfax said that only local residents would be allowed to take part, thereby ruling out any involvement in the poll by Georgian refugees who had to flee neighboring Georgia.

Lithuania

Party Calls Actions of Prime Minister 'Moral Mistake'

LD0401112996 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 4 Jan 96

[FBIS Translated Text] The presidium of the Lithuanian Democratic Labor Party (LDDP) described the actions of Adolfas Slezevicius, leader of the party and the prime minister of Lithuania, as a political and moral mistake that has damaged the party.

However, the presidium decided that his resignation would be detrimental to overcoming the banking crisis that has developed in the country, Baltic News Service reported.

The statement adopted on 3 January by the presidium after a debate that lasted until late at night approved of the proposal that the deposit that Prime Minister Adolfas Slezevicius withdrew from the Lithuanian Joint-Stock Innovation Bank (LAIB) on the eve of the moratorium on the bank's activity should either be returned to the bank or a fund should be set up that would start reimbursing deposits to those people who needed them most.

The presidium of the party also proposed that the government should set up regulations that would advise how high-ranking officials of the country should run their financial matters.

Center Union Leader Demands Premier's Resignation

LD0401131096 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 4 Jan 96

[FBIS Translated Excerpt] Romualdas Ozolas, leader of the Center Union, believes that the prime minister should be made to resign, even if the president is not prepared to take this step. If the prime minister is not made to resign, Ozolas said, actions of civil disobedience are guaranteed.

According to the leader of the Center Union, another step which should be taken to resolve not only the problems in the banking system but political problems as well is the formation of a government of national interests which would include political forces with straight political vision. The situation is so serious, Ozolas maintained, that now one should be guided by more lofty objectives rather than by the party aims.

Speaking about the idea of early parliamentary elections proposed by the Conservatives, he said that this was an issue worth discussing, although according to him there were two topical issues at the moment: the aforementioned resignation of the prime minister and the formation of government of national interests. [passage omitted]

Politicians Comment on Possible Government Resignation

LD0301133396 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 3 Jan 96

[FBIS Translated Excerpt] Should the government resign or not, Gediminas Vagnorius, chairman of the administration board of the Homeland Union, asked at a news conference at the Seimas today.

According to him, if the government does not resign and the policy is not changed, efforts to restore the economy of the country and overcome the banking crisis would fail. Therefore, the conservatives urge not only the replacement of the government but also early parliamentary elections, in May or June and not this coming autumn.

Vagnorius also stressed that until the elections in May or June the president could take the post of head of the provisional government, and the Homeland Union is prepared to assist in the formation of such a provisional government. [passage omitted]

Speaking at another news conference at the Seimas, Aloyzas Sakalas, chairman of the Seimas Social Democrats faction, also did not rule out the possibility of early general elections. However, he said that the procedure of announcing early elections is complex. It can be done either with a referendum or by a Seimas decision to dissolve itself before the end of the term. However, it looks like the great majority of the Seimas would not favor this idea.

Sakalas also pointed out the causes behind the current banking crisis. The chairman of the Lithuanian Social Democrats Seimas faction mentioned the ideology of wild capitalism promoted by representatives from the Free Market Institute and some well-known economists as the main cause for this.

Other causes were named as the absence of control over commercial banks by the government and the central bank, the incompetence of the leaders of the Lithuanian commercial banks, economic crimes, and chaos in managing the state owned property.

There is no doubt that an economic rescue package for the troubled commercial banks would call for a review of the state budget. Therefore, the Social Democrats will demand to review the law on this year's state budget in the near future. [passage omitted]

Electric Power To Be Sold to Russia for Nuclear Fuel

WS0401083596 Tallinn BNS in English 1900 GMT 3 Jan 96

[FBIS Transcribed Text] Vilnius, Jan 3, BNS — Lithuania will sell four billion kilowatt-hours of electric power to Russia in exchange for nuclear fuel to be utilized by the Ignalina Nuclear Power Station.

An agreement on the exchange was signed by the Lietuvos Energija and the Russian enterprise "Energy" back in mid-September, 1995. However, the actual implementation of the agreement did not start until November 8 of the last year, the LIETUVOS RYTAS daily said.

On November 8, Lithuania stopped electric power supplies for the Sego-Medium, a Lithuanian-Belarussian company which used to sell electric power to Belarus. Now their business is carried on by the Russian company.

Both in Russia and Belarus, electric power sells for 6.4 cents per kwh, which corresponds to the production cost at the Ignalina Station.

The Lietuvos Energija has sold 500 million kwh of electric power to Russia in exchange for advance deliveries of nuclear fuel for the total sum of 57.6 million litas.

Under a last-year agreement, the nuclear fuel had been delivered to Lithuania by a Russian enterprise, the Technabexport. Lithuania was expected to settle up with the Russian company by the year 1996.

Deputy Director General of the Lietuvos Energija, Anicetas Mikuzis, told the daily that the contract price of 37.8 million litas for nuclear fuel supplies had been almost paid off.

The implementation of the agreement will last until July. However, a new agreement is expected to be signed on a purchase of another billion kwh of electric power by the Energy, Mikuzis said.

Lithuania is not likely to alter the price of the electricity to be exported to Russia until a rise in the price of nuclear fuel.

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